Lawn Garden Marketing

NOVEMBER/DECEMBER, 1980

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CHEMICALS: refining the formula for retail profits

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COMING IN THE JANUARY ISSUE:
Merchandising the *complete* garden supply package—a comprehensive package of profit-making lines for retailers to handle in serving the increased number of home vegetable gardeners. It will include trends and merchandising tips on a variety of products: tillers and tractors, fence and fertilizer, books, plants and other basics for your customers' success.

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CHEMICALS
Refining the formula for retail profits

Retailers and suppliers tell how and why horticultural chemicals are dependable profit sources.

By Wendall J. Burns

■ The chemical sections of garden centers and of the garden departments of mass retailers remain solid profit centers even though demand, margins and profits for some other product categories have gone soft. The reasons for the steady demand, and the merchandising strategies were described for us by retailers, distributors and manufacturers of lawn and garden chemicals.

Chemicals are viewed by gardeners as problem solvers or preventatives. The problems often require urgent attention to save an investment in landscape plants or a vegetable crop. The problem-solving nature of chemicals enables retailers to maintain higher margins on them than they can on other lawn and garden supplies and accessories.

The successful merchandising formula depends upon good customer traffic, and the retailer must offer the customer the advantage of significantly reduced price (the chain store approach), or product knowledge (the garden center approach).

The chain store profit formula is relatively simple. A product which solves an easily identifiable problem such as a herbicide for dandelions or crab grass—can be used as a loss leader to pull good traffic to its lawn and garden department.

While he is in the department, the customer, on impulse, purchases other chemicals, fertilizer, or gardening accessories. These items all carry high enough margins to build a good profit base, and more than compensate for the reduced margin on the popular price-sensitive item which was advertised as a loss leader to build traffic.

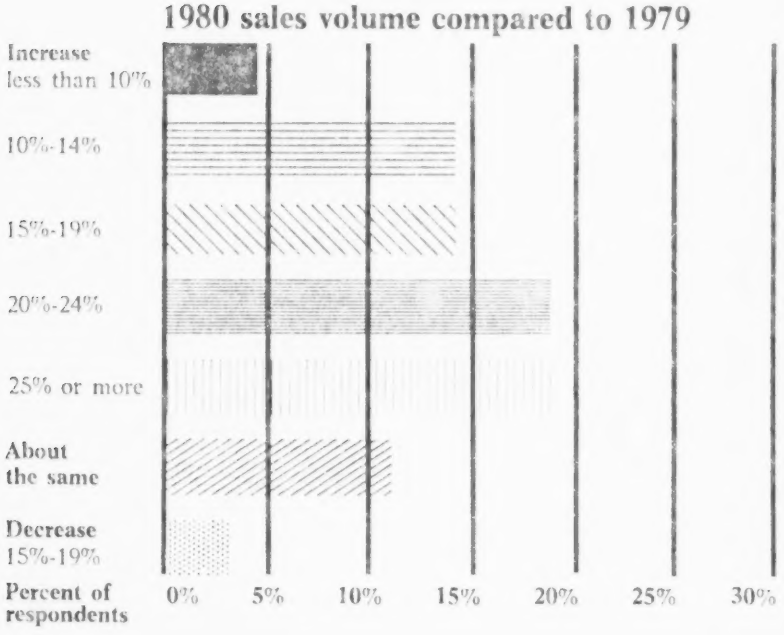
When price loses power

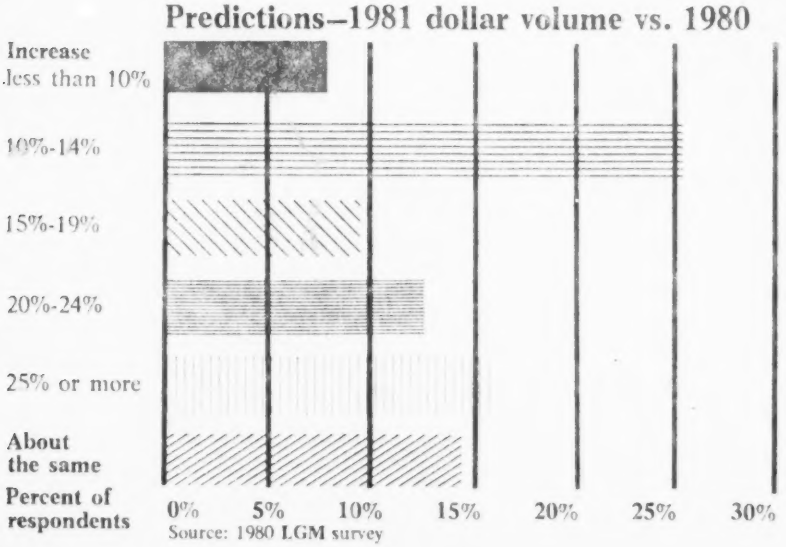
What if the gardener's problem was a fungus instead of the easily

continued on page 18

Wholesale distributors report volume changes in '80, predictions for '81

Two thirds of the wholesale distributors responding to an **LGM** survey reported that their dollar volume of horticultural chemicals sold in 1980 was more than 10 percent over sales in 1979. Thirty-eight percent of them reported dollar volume increases of more than 20 percent over 1979 sales. They predict that 1981 volume will continue to grow at a rate that will mean real growth, that is, surpassing the expected inflation rate.





Source: 1980 LGM survey

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identifiable crab grass? A gardener who is serious about raising vegetables will frequently look for advice in a garden center when he is not sure about the cause and cure for a plant problem. The discount prices lose appeal in these instances, and the garden centers gain customers willing to pay full price margins.

The garden center managers have seen no need to reduce their margins on chemicals to meet competition as many have done with fertilizer. They saw the sustained interest in vegetable gardening this year reflected in demands for gardening-related chemicals, and expect the same pattern to continue due to increased supermarket food prices.

Tie-in with plant sales

Plant promotions by garden centers are another major element in this merchandising formula. Manufacturers and distributors as well as the garden center managers recognize the importance of seeds and quality plants in building traffic for good chemical sales volume. John Lofton, a Meridian, Miss., dealer, said he has built chemical sales of $180,000 annually by increasing space and displays of green goods.

"We added a building for indoor plants and we doubled space for display of bedding plants, shrubbery and trees." Last year, this company moved more than $130,000 in plant materials.

Lofton is the manager of the Lauderdale County Co-op which has an overall volume of $3 million annually. He was an accountant and auditor before entering this business five years ago. He said that an important move for the company was hiring a horticulturist to provide the garden center expertise.

"We don't use anything as a loss leader. We advertise on radio and TV, and we fit the product to the season."

This year, the hot, dry weather cut back on demand for some chemicals, but increased the need for products to control fleas. There was a great infestation of fleas in lawns, Lofton said. This garden center sold a large amount of Diazinon and Sevin for flea control.

The markups on this dealer's chemicals range from 35 to 55 percent, and turnover for this product line is six to seven times annually.

In Virginia Beach, Va., Rita Kristensen, the lawn and garden buyer for a chain of four home centers, reported a similar merchandising experience. The drought and extreme heat reduced gardening activities and garden product sales, even though vegetable gardening is popular in the area. But, True Value Home Center's four stores were stocked with flea control liquid for lawns and dust for pets. Kristensen said the company had several promotions this year on the flea-control products, with the products set up on end-caps during the advertising campaigns. This was another product category which required personal selling, she said, as customers had questions about how and when to apply the products.

"If you want to be in the chemical (retailing) business, you have to offer seed and plants. One tomato plant can generate $10 in sales."—A chemical manufacturer

Many of the residents of military establishments in the area are from other regions and need information on local growing conditions, making them good customers for lawn and garden specialty retailers.

"We are seeing a little more fall gardening than normal because so many people lost their gardens this summer," Kristensen added.

She likes the stability of the margins on chemicals. This is unlike her experience with merchandising fertilizer, where she starts with one price every year, but has to cut it to meet the competition.

Switch to high-margin brands

At The Garden Center Inc., Richmond, Ind., the management decided that because customers were coming to them for their expertise, they could switch to a line of chemicals not being discounted by the chain stores. For some gardening problems, they sell their customers products on which they receive a 50 to 60 percent markup. "We've got lots of competition in town," said Paul Favreau, the assistant manager. "We're competing heavily with K-Mart. But customers come in here for information. They also come in here because we carry merchandise all season long, not just May and June. We even reorder for fall sales."

"Obviously, money is a big thing," Favreau said, "and, we hear a lot about prices. We don't bend on prices. We stick to our prices, and usually we get it."

The Garden Center Inc. tripled its space this year for display of bedding plants and flowering plants, and doubled its sales of volume in this merchandise.

The margins on chemicals for this retailer will average about 40 percent. In-season orders placed through the distributor yield about 35 percent margin, reducing the average.

Weed killers, from a consumer demand standpoint, are a more predictable line than the pesticides, Favreau noted, but added that the prevalence of lawn diseases this year dictated the ordering of more disease-control products.

Like others in this business, Favreau reports that sales volume is increasing, and he attributes it to the fact that people are staying at home and spending more time in the yard and garden.

How retailer types differ

An Indiana distributor, Ed Suttor, sales manager of Desco Chemicals, Inc., Napanee, described differences in the approach of mass retailers and specialty retailers. Herbicides are a product used in great quantity by many homeowners. This sizable demand makes it a price-sensitive item in this era of

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The compact display of chemicals to solve a wide range of lawn and garden problems makes this a predictable profit center.

Chemicals continued from page 18

high costs. The mass retailers look on this demand as a good promotional item to build traffic.

But rose dust is in a different category. There are fewer customers who need it, and those who want to use it may need to go to a garden center for information. The mass retailers are not likely to discount a product such as rose dust, even if they do carry it, Suttor said.

"Overall, 1980 has been an outstanding year for garden products," Suttor said. "There have been so many people planting that I don't think that (holdover) inventories will be a problem." He had heard reports of strong insect infestations in Indiana, Michigan and Ohio.

Desco services garden centers, nurseries, golf courses, chain stores and hardware stores.

He described the differences in merchandising chemicals and in merchandising lawn food. The latter product performs only one function, and lends itself to self-service customers, and to discounting. A line of chemicals, however, has dozens of potential uses. It is often up to the retail sales personnel to help the customer to identify the plant or insect problem, and to specify the chemical to be used. Chemicals, therefore, are not as likely to be sold at discounted prices.

In comparing the profitability of chemicals and fertilizers, he noted that with a lawn food the product performs only one function. But one chemical can be used to resolve a score of problems which the customer or the retailer have identified. Prices on these chemicals are less likely to be discounted.

Suttor also noted that some mass retailers virtually close their lawn and garden departments at the end of June or July. "The independents start picking up then, and do pretty well."

"We can see a lot of change going on," Suttor said. He has observed, for example, that the independents are doing more fungicide business. He believes one reason is that the gardening public is becoming more aware of fungus as a plant problem. The customer often goes to the garden center for help with fungus problems, he said.

Education needed

One manufacturer stressed the educational job the retailers need to do for their customers. Another observer said that retailers themselves need more training in identifying fungus, and prescribing the right treatment.

One manufacturer who sells to both independents and mass retailers said the independent garden centers need to promote more aggressively to build traffic. He cited several highly successful garden centers, and said their success had come from identifying a few of the more popular plants for their market areas, advertising them heavily and then providing information and service when customers come in. The sale of chemicals will follow if such plant promotions are conducted, and the chemicals are in stock and well displayed, he said.

"Real growth has slowed," one manufacturer said of the overall lawn and garden business. "Ornamentals and turf products are flat. Indoor plants are flat. But vegetable gardening is in a steep rise. Every newscast about prices going up gives gardening a new boost. Right now, seed distributors will tell you that they are out of some vegetable seed varieties.

"If you want to be in the chemical (retailing) business, you have to offer seed and plants. One tomato plant can generate $10 in sales," he said.

Even though all these elements favor the continued profitability of lawn and garden chemicals, there is one unpredictable element that could change the market: government regulation. No one knows when the EPA may ban a product from the retailers' shelves. This is a problem they have faced previously. Not only does this remove a high-margin product from inventory, it hurts the public image of other chemicals as problem solvers.

continued on page 30

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The Plant Nurse™ houseplant soil aerator instantly replaces the air in the soil that is forced out from watering!

This means that it eliminates the cause of most houseplant failure . . . overwatering!

It pumps fresh air into the soil, replacing the air lost due to soil "compaction"; and it stimulates nutrient "uptake", allowing the plant to feed more completely.

Used for 15 minutes after each watering, plants grow bigger, faster and more beautiful!

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Attn: Plant Nurse Division

Circle (19) on Reply Card

Chemicals continued from page 20

Comparing 8 elements in merchandising chemicals

Lawn & Garden Centers

Personnel—Knowledgeable in plants, and pesticides and trained in educating customers

Quality plants—Important as traffic builder and tie-in sales of chemicals

Advertising—Capital and skills are limited

Margins—Full margins, except for occasional promotions

Image—The place to go for expert advice on plants, plant problems, broad inventory of merchandise

National brand names—Less important when skilled horticultural personnel available

In-stock—From pre-season through post-season

Display—Varies from excellent to poor

Multi-Dept. Stores

Personnel—Usually have limited knowledge, and limited availability for customer service

Quality plants—Varies from one company to another

Advertising—Highly skilled; costs reduced by multi-store, multi-dept. ad programs

Margins—High volume purchases permit good gross despite reduced margins on some promotional items which are used to build traffic

Image—The place to go for discounted prices

In-stock—Only through the peak of the growing season

National brand names—Important with self-service or unskilled sales personnel.

Display—Usually good to excellent. High visibility necessary to guide self-service customers □

Power Equipment Highlights

Vol. 1, No. 4 November/December 1980

Key power unit shipments drop 3.5%

Shipments of key power equipment units declined 3.5 percent in 1980 compared with 1979, according to estimates of the Outdoor Power Equipment Institute. Not surprisingly, shipments of garden tractors dropped 16.9 percent as a result of tight credit restrictions. Another sign of the times is reflected in the surge in shipments of rotary tillers, which advanced 9.8 percent, indicating that gardening is on the rise.

The FOB shipment value of these key units increased a modest 3.7 percent, probably a result of inflation. The most dramatic increase in FOB values was attributed to rotary tillers, up 20.4 percent. Again, garden tractors accounted for the largest decrease with FOB shipment value dropping 7.9 percent.

Shipments for 1979-80 model years

Product	Unit Shipments 1979	1980	% change	FOB shipment value (in million of $) 1979	1980	% increase
Walk-behind power mowers	5,900,000	5,700,000	- 3.4	656.0	701.0	+ 7.0
Lawn tractors/riding mowers	798,000	721,000	- 9.6	458.4	473.3	+ 3.2
Front engine	479,000	441,000	- 7.9	289.2	308.0	+ 6.5
Rear engine	319,000	280,000	-12.2	169.2	165.3	- 0.6
Riding garden tractors	236,000	196,000	-16.9	339.3	312.5	- 7.9
Rotary tillers	565,400	621,000	+ 9.8	123.3	148.4	+20.4
All units	7,499,400	7,238,000	- 3.5	1,577.1	1,635.2	+ 3.7

Source: Outdoor Power Equipment Institute

Kohler entering diesel market

The Kohler Co. has announced its entry into the diesel engine market. A. G. Kroos Jr., general manager of the Kohler Co. engine division, states that Kohler will begin production of diesel engines in the second half of 1981, starting with a 2-cylinder, 20-hp model and following soon thereafter with a 3-cylinder, 30-hp model and 4-cylinder, 40-hp model.

The new diesels extend Kohler's horsepower range substantially. The company's air-cooled engine line consists of models ranging from 4 to 23 hp.

Kroos points out that introduction of the Kohler diesel line climaxes years of study and development. He also adds that Kohler diesels will be suited for a wide variety of equipment, including larger lawn and garden tractors, turf equipment, and construction, industrial and agricultural equipment.

In conjunction with the announcement of its new diesel engines, Kohler Co. also announced a line of liquid-cooled gasoline engines based on the diesel design. The first of the "partner" gasoline engines is a two-cylinder, 25-hp model which will go into production in 1981 also. Many of the parts will be interchangeable between the gasoline and diesel lines, and the engines themselves are designed to be interchangeable so that equipment manufacturers can offer both diesel and gasoline models on the same piece of equipment.

Noise-labeling program gets go-ahead signal

The Outdoor Power Equipment Institute has a voluntary noise-labeling program ready for the 1981 model year now that the Justice Department has notified OPEI that it will not challenge the program. The Environmental Protection Agency endorses the plan.

OPEI believes voluntary compliance is preferable to mandatory federal regulations which are more burdensome and would carry penalties for noncompliance. The voluntary program calls for the use of hang tags displaying a noise ratio for each particular mower model, plus a range of noise ratings for comparable models in the same class. The two classes of mowers are walk-behind models; and riding mowers, lawn tractors and garden tractors. The commercial mowers are not covered by the program.

Noise ratings would be established by each manufacturer, subject to periodic verification by an independent testing laboratory.

Lawn*Garden Marketing

JANUARY, 1981

Update on vegetable gardening

a three-part report begins on page 10

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Update on vegetable gardening

A three-part report

10 Food prices spur home gardening. Joy Green reports on increasing food prices and merchandising products for vegetable gardeners.

14 Books build profits, image for retailers. For this in-depth report, retailers, wholesalers and publishers were interviewed about the pros and cons of books as profit makers in the lawn and garden centers.

22 Retailers' guide on matching equipment, tools to the task. The needs of garden-equipment buyers are as diverse as the tools offered to fill those needs. Frank Buckingham tells how to recognize and use the differences in promotion and sales efforts to increase profits.

Photo Credits: Simplicity, MTD, Staff

20 They tell the world: 'Buy proven varieties'—This is a report on promotions by three retailers to acquaint their customers and the public with All-America Selections seeds and plants.

28 Education ranks high with NLGDA. Frank Diekman, newly-elected president of the NLGDA, describes the association's objectives.

32 Sales training triggers home center success. Ole's home centers in California use systematic personnel training to produce growth and high profits.

38 Outline for small business growth in '80s. Milton D. Stewart, chief counsel for advocacy for U.S. Small Business Administration, summarizes the problems of declining growth and productivity of small business in U.S. economy.

54 Landscaping services reach $2.9 billion in '78. Information compiled by the Bureau of Census about landscape and horticultural services.

Cover photo: Courtesy of Northrup King Seed Co.

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COMING IN FEBRUARY:
Watering products: in search of new markets will be a report on new devices and materials being marketed to correspond to changing needs.

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Food prices spur home gardening

1 Vegetable gardening update

Increasing food prices, although not the sole factor, are a major inducement to reactivate homemakers into gardening each spring. This article reports on this and other aspects of merchandising products for vegetable gardeners.
Part 2 of this report begins on page 14, Part 3 begins on page 22.

By Joy Green

News reports boost home gardening. Retailers use the inflation theme in ads.

■Vegetable gardening continues to flourish as the pressures of double-digit inflation, rising energy costs, tight credit and higher interest rates reduce American's disposable income. In 1980, 34 million Americans were doing some sort of backyard gardening—up 1 million from 1979. The rural areas of the Midwest showed a 15 percent increase in 1980. Fifty-four percent of those households had gardens.

"We should see an increase in the number of food gardening households from 34 million to 47 million in the first five years of the '80s," reports Dave Schaefer, vice president of Gardens for All, a nonprofit national gardening organization. The GFA projects an increase of two million household gardens in 1981, which would bring the total to 36 million.

The percentage of households gardening has paralleled the rate of change in food prices, with a slight one or two year lag. As the gross national product and real wages decreased, gardening increased. (See chart)

"Gardening is just a matter of supplementing the table, it's the only thing customers feel they can do to help cut food costs," says Ed Duffield, Wilmore Garden Center in Denver.

USDA predicts sharp increase

The Agriculture Department forecasts a 12.2 percent increase in retail food prices for 1981, the sharpest increase in seven years. This increase is attributed to last summer's heat and drought coupled with higher labor and transportation costs.

Paul C. Westcott, USDA economist, says, "Fruit and vegetable prices are the hardest to predict because of the weather, but we most likely will see an overall rise of eight percent this year. We already know potatoes, lettuce, carrots and cabbage will be in short supply because of the producers' cutbacks."

Retailers can use the monthly Consumer Price Index as a merchandising tool to forecast trends for long-range planning. The CPI reports are released near the 20th of each month and are major news stories on radio, TV and in the newspapers.

A regional gardening plan

Horticulturists Jerry Parsons and Sam Cotner with the Texas Agricultural Extension Service in San Antonio set out in 1976 to improve fall home gardening in the commercially-tagged winter garden area of Texas.

Home gardeners, facing difficulties in their spring gardens because of hot, dry weather, insect infestation, developed a general lack of enthusiasm. Many newcomers in the area were unaware of the gardening potential, and few of the conventional home gardeners were following patterns established by the commercial gardeners in South Central Texas.

The two horticulturists promoted fall gardening by using local and regional media and distributing books to bedding plant producers and garden retailers telling of the fall gardening campaign.

Forty counties, covering 55,000 square miles surrounding San Antonio, were included in the gardening project. The promotion started in early July with the circulation of free booklets written for the area. The material provided information about fall gardening and alerted gardeners of the upcoming radio and TV programs.

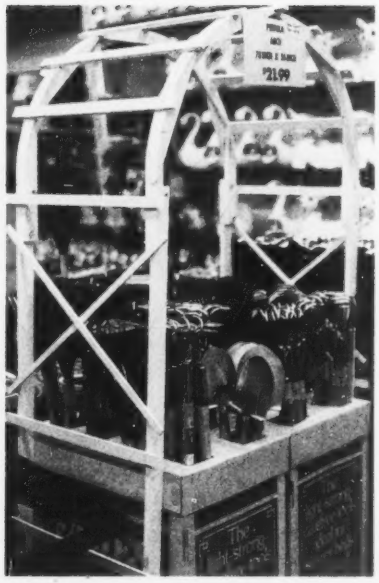
Two one-hour radio documentaries and one prime-time TV show were broadcast explaining fall gardening. Garden suppliers and distributors were sponsors. One radio program was broadcast in Spanish. An extensive newspaper campaign was established, also.

Gardeners who were interested were requested to fill out coupons to obtain the booklets. This assisted the extension agents in tabulating public participation and provided valuable leads for surveys later.

During the first year of the campaign, 30 retailers distributed 30,000 copies of "Fall Gardening in South Central Texas" in less than 30 days in the San Antonio area alone. Another 10,000 were circulated in 40 outlying counties.

Sales double first year

In the early stages of the campaign, Parsons assured the retailers that if the campaign was not successful in two years the program would be dropped.



Attractive display of lightweight tools invites a closer look.

The retailers of garden supplies doubled their sales in the first year in the program. One nurseryman, who had been growing 1,000 fall bedding plants and throwing away 800, was persuaded by the horticulturist to work closely with him on the campaign. He sold more than half-million plants in 30 days. Fifty-six percent of all vegetable plants were extension recommended varieties—this compares to 39 percent in previous years.

Nurserymen who referred to fall as "dog days" are reporting bedding plant sales are doubling each year and retailers are echoing the same results.

Jerry Parsons says, "We got the ball rolling for them, now fall gardening is snowballing. For many, home gardening is a matter of eating."

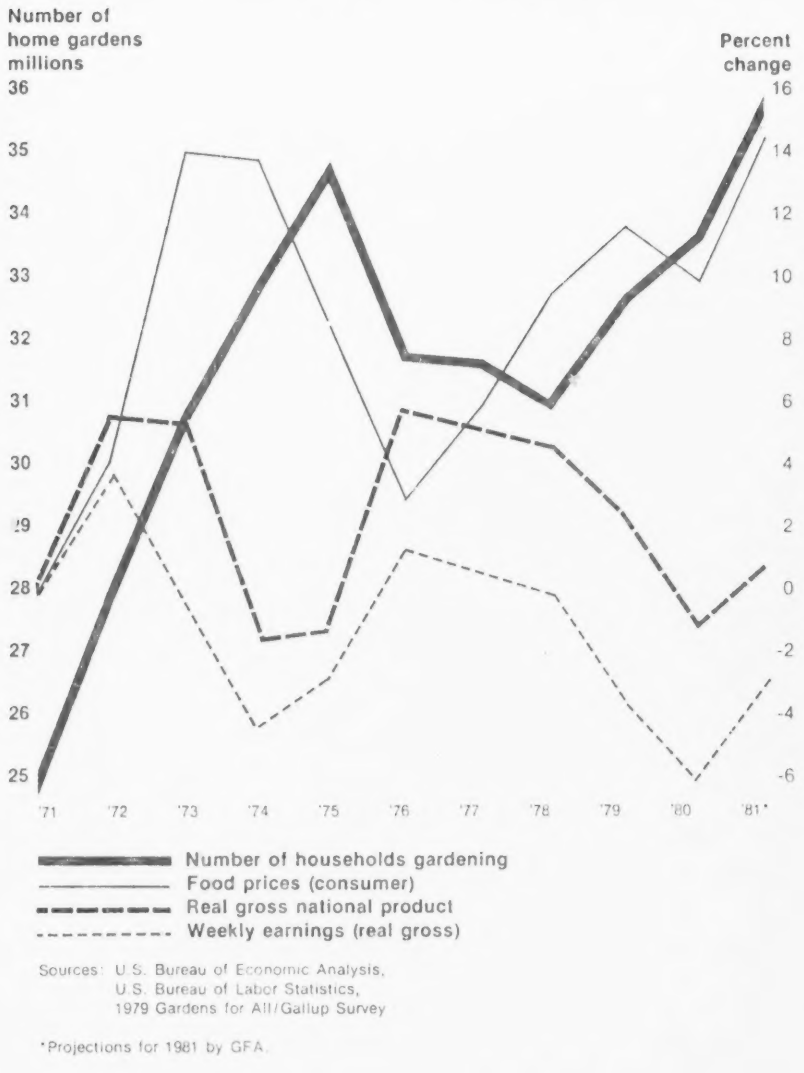
In the survey conducted by the extension service the first year, participants received their garden booklets from a participating garden retailer. The survey also proved that mass media can be used to educate large audiences in high interest subject matter.

Novice gardeners

"Each year we are seeing more and more first time gardeners," says Joe Antoine, an Independence, Mo., retailer whose company sells 25 tons of seeds annually. "Last year really was discouraging to the first timers because of the drought, but we encourage them to try again. Sugar snap peas, bush cucumbers and the Contender green beans have been the most popular seeds the last couple of years," says Antoine. "We tried the hot new items but we stayed with the tried and tested seed varieties proven for our area."

Retailers should encourage families to view gardening, not only as one of America's most popular hobbies, but as an important tool in cutting food expenditures. "You have to sell the idea of gardening every spring, all over again," reports Jack Robinson, president of Gardens for All. The profits from a backyard garden can yield more than $1 per square foot.

How the economy affects gardening



Sources: U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, 1979 Gardens for All/Gallup Survey

*Projections for 1981 by GFA.

Garden sizes increase

The median size of a garden in 1980 was 663 square feet (approximately 22 by 30 foot plot) compared to 595 square feet in 1979, an increase of 11.5 percent. More than 20 percent of the '980 survey increased their size.

Gardens for All says that the average cost of planting a garden was $19 in 1980 and the average dollar yield per garden was $400.

Tomatoes were the most popular crop in 1980, grown by 90 percent of the gardeners. Next in popularity were onions, green beans, peppers, lettuce, radishes, carrots, peas and corn. Sixty percent of all gardeners preserve crops by canning.

continued...

Good planning includes placing signs high in outdoor areas so they can be seen across the tops of parked autos.

Food prices

...continued

Container gardening

There are eight million households raising vegetables in containers according to data compiled by the Gallup Organization. There are two million of these using containers in addition to their traditional garden plot.

The availability of garden space keeps many interested people from gardening. A survey shows there are 14 million households interested in gardening but that have no space.

Some retailers are successfully promoting pocket farms. These are canning jars or small containers used for growing sprouts. There has also been an increased interest in herb planters.

The use of raised beds has helped Texas gardeners with soil problems who have been unable to produce quality crops. The 2-by-2-by-2 flats are filled with either imported black top soil, peat lite mixes or composts, enabling those gardeners to grow excellent crops.

Teach them success

Retailers across the country have used newspapers, radio and television to advertise pre-season vegetable gardening clinics. The clinics are frequently held as early as January in the store or available space nearby. The clinic is advertised in the store as well as in other medias. A follow-up phone call is also recommended to remind the customer to attend. The program should include a gardening film and well-trained personnel or horticulturists to answer questions.

There are many well written books on gardening and they should be strategically displayed to encourage gardening and other related items. (See book article in this issue.)

Good signing is a must. Many manufacturers offer a complete line of shelf talkers, signs, banners and window displays. These signs tell customers which merchandise is available and the retailer is knowledgeable about the products. The signs must be bold and strategically placed, tell what the product is, why the customer needs it and the price. Signs can be made if printed ones are unavailable.

The Northrup King Seed Co. is selling to its customers a "Smarter Garden Plan," a service in which gardeners can send the size, plot, shape, soil description, weeding method, number of adults to be fed and vegetable varieties to be included in the garden. This input is fed into a computer and a printout lists the best varieties for each geographical area, the amount to plant for family size and garden size.

Some retailers offer a phone-in service for lawn and garden problems. Bea Blair, garden consultant at Wilmore Garden Center in Denver, answers thousands of questions monthly by phone.

Outlook for 1981

The sale of vegetable bedding plants increased nearly 15 percent in 1979 compared to 1978, according to a USDA report. Projections at the beginning of 1980 were for the production area of bedding plants to be up two percent in 1981.

George Holwerda, a wholesale nurseryman in Michigan, says, "Last year was good and we're expecting a better one this year. We've expanded our bedding plant volume 12 percent for 1981."

Local weather conditions can severely limit gardening. In many areas watering is forbidden when gardens are at the crucial growing stage; in other regions the cost of water makes gardening expensive.

Many retailers are promoting in-store seedling clinics to encourage gardeners to start seeds indoors and transplant outdoors as early as possible, enabling gardeners to take advantage of early spring moisture. In other regions, retailers are receiving requests for various types of water conservation systems.

A wide selection of modern disease-resistant varieties is a key element for successful gardeners. There may be sentimental attachment to a certain variety but the productive and disease-resistant varieties must be introduced for the customer to grow a successful garden. Many retailers stock only those varieties that have been tested and recommended for their growing area.

Mary Anne Ford, Ball Seed Co., says, "Consumers are more sophisticated in their knowledge of plants. They are aware of varieties and are asking for hybrids by name. There has been a great interest in cole crops as many more gardeners are double cropping."

"Customers want an instant jump on gardening and they want maximum success with a minimum of effort," says Ford. There is great interest in Jiffy trays, compact varieties and climate control items.

A California green goods buyer said, "We sold a ton of seeds, peat pots and starter kits last year and it should be better this year." Wendy Meyers, Hastings Seed Co., says, "Sugar snap peas have been the hot items for us. We're excited about the sweet pepper Gypsy, a cross between a banana and bell pepper." Arnold Bernstein, Frank's Nursery, Detroit, said the company's sales were up 20 percent in 1980 in seeds and bedding plants. The company sold more than $2.5 million in seeds in its 81 stores. Bernstein says, "In recessionary times the seed and bedding plant business gets better." □

Now End Seeding Backache with the World's Best Garden Seeder!

EarthWay's world famous Precision Garden Seeder with exclusive patented features takes the backache out of garden seeding.

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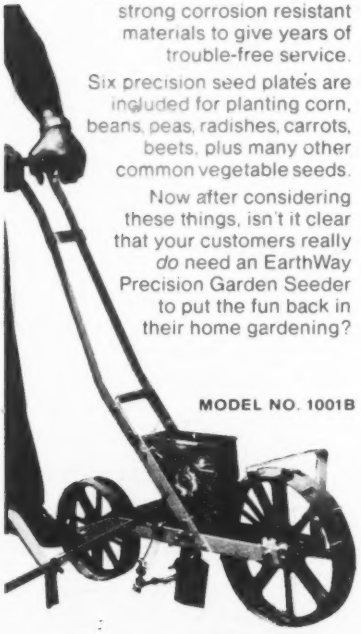

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Circle (25) on Reply Card

Photo credit: Northrup King Seed Co.

Retailers guide:

Most dollars from home garden space

■ Many gardeners are demanding maximum value from the vegetables they grow, because of rapidly increasing food prices. Some vegetables return a higher monetary value for the space they occupy than other vegetables.

Vegetable values can be calculated in relation to price per pound or yield. For example, a broccoli plant may yield a two pound head. In contrast, a zucchini squash may cost only one-third as much per pound, but would produce 10 pounds of vegetables.

Some vegetables mature so rapidly that they occupy garden space for a short period of time. Additional crops can be grown on the same land, increasing dollar-per-square-foot return for the growing season.

A survey conducted by the National Garden Bureau asked 36 gardening experts in the United States to rate vegetables according to value. The experts considered yield per square foot, average yield per pound harvested and seed-to-harvest time.

None of the vegetables received a perfect rating of 10 because no single vegetable performs well under all soil and climate conditions. □

Vegetable values

Tomatoes (grown on supports to save space)	9.0	Kohlrabi	6.3
Green bunching onions	8.2	Swiss chard	6.3
Leaf lettuce	7.4	Mustard greens	6.2
Turnips, for greens and roots	7.4	Spinach	6.2
Summer squash: zucchini, scallop and yellow types	7.2	Beans, pole lima	6.1
Edible podded peas	6.9	Radishes	6.1
Onion bulbs for storage	6.9	Cabbage	6.0
Beans, pole or runner types, green or wax pod	6.8	Leek	5.9
Beets, grown for green tops and roots	6.6	Collards	5.8
Beans, bush green or wax pod	6.5	Okra	5.7
Carrots	6.5	Kale	5.6
Cucumbers (grown up supports to save space)	6.5	Cauliflower	5.3
Peppers, sweet green or yellow	6.4	Eggplant	5.3
Broccoli	6.3	Peas, green or English	5.2
		Brussels sprouts	4.3
		Celery	4.3
		Peas, southern (black-eye, crowder, purple hull, etc.)	4.3
		Corn, sweet	4.1
		Squash, winter, vining types	3.8
		Melons	3.8
		Watermelons	3.8
		Pumpkins	1.9

California leads the nation in landscape and horticultural service establishments with a 17.9 increase over 1974.

Landscaping services reach $2.6 billion in '78

■The nation's 46,584 landscape and horticultural establishments had gross receipts of $2.6 billion for services performed in 1978, up 96.6 percent from 1974 according to the Bureau of the Census. A portion of this increase is attributable to significant improvements in coverage of the 1978 Census of Agricultural Services, which affect comparability with previous census data. Figures for gross receipts exclude receipts from product sales and activities other than agricultural services.

Lawn and garden data

The census bureau defines landscape and horticultural services as "economic units primarily engaged in performing landscape counseling and planning services, lawn and garden services, and ornamental shrub and tree services for others on a fee or contract basis." All 50 states showed an increase in landscape and horticultural services over the 1974 figures. Nationwide, these service establishments experienced a phenomenal growth rate in 1978.

West leads nation

Western states showed the largest gross receipts in 1978 with $755 million followed by the South with $714 million. The North Central states totaled $602 million and the Northeast followed with $569 million.

California with $525 million and Florida with $185 million led the nation in gross receipts. California's 13,689 agricultural service businesses represent a 17.9 percent increase over 1974. Landscaping businesses in Florida increased 70 percent.

Eight states and the District of Columbia showed increases of 100 percent or more in the number of landscaping establishments. Among these states, Texas had the largest increase, adding 865 establishments since 1974, probably a reflection of Texas' rapid population growth. The largest increase in the number of establishments was in the South with 76.3 percent; the smallest rate of increase was in the West with 25.5 percent.

See table for breakdown by state and region. □

Landscape and Horticultural Services

Establishments, Gross Receipts, and Annual Payroll for Agricultural Services, by state: 1978 and 1974

	Establishments (number)		Gross receipts ($1,000)		Annual payroll ($1,000)	
	1978	1974	1978	1974	1978	1974
United States	46,584	33,618	2,639,954	1,342,167	947,248	487,334
NORTHEAST	**10,471**	**8,100**	**569,012**	**425,481**	**212,837**	**181,602**
New England:						
Maine	156	124	9,697	6,385	3,873	2,723
New Hampshire	184	141	6,190	4,691	2,165	1,888
Vermont	103	64	4,153	2,129	1,426	964
Massachusetts	1,297	1,027	72,437	39,149	28,761	15,130
Rhode Island	281	223	9,618	6,970	3,897	3,075
Connecticut	1,134	901	53,273	35,626	19,470	13,266
Middle Atlantic:						
New York	3,160	2,595	161,640	114,010	59,538	40,294
New Jersey	2,206	1,591	106,913	62,257	35,965	19,711
Pennsylvania	1,950	1,434	145,092	154,265	57,741	84,550
NORTH CENTRAL	**8,065**	**5,567**	**601,851**	**277,255**	**228,636**	**107,896**
East North Central:						
Ohio	1,769	1,252	134,005	86,011	53,088	38,858
Indiana	630	380	48,980	15,632	18,625	6,281
Illinois	1,568	1,030	140,294	50,197	52,467	17,356
Michigan	1,236	900	93,477	46,423	36,838	16,206
Wisconsin	602	482	38,113	19,618	12,917	7,296
West North Central:						
Minnesota	544	321	49,637	15,915	17,507	5,687
Iowa	354	231	21,502	9,451	9,031	3,951
Missouri	594	473	40,978	19,466	16,658	7,538
North Dakota	68	40	2,778	865	747	177
South Dakota	85	48	3,493	951	1,032	263
Nebraska	274	185	12,031	6,708	4,227	1,916
Kansas	341	225	16,564	6,016	5,497	1,868
SOUTH	**10,404**	**5,898**	**714,111**	**296,314**	**275,546**	**105,721**
South Atlantic:						
Delaware	99	73	5,324	5,242	1,722	2,184
Maryland	708	450	63,896	34,762	26,013	12,361
District of Columbia	52	26	3,034	1,596	1,498	479
Virginia	624	403	58,957	21,462	23,831	8,030
West Virginia	110	57	5,866	2,381	2,025	1,074
North Carolina	803	494	55,211	23,390	23,432	9,071
South Dakota	364	212	24,708	7,945	8,960	2,714
Georgia	668	481	48,320	22,298	19,492	6,717
Florida	3,379	1,987	185,248	98,080	64,414	35,384
East South Central:						
Kentucky	287	128	25,914	5,545	10,211	1,818
Tennessee	414	157	31,550	6,830	12,778	3,020
Alabama	268	143	19,398	6,734	7,262	2,302
Mississippi	120	68	7,709	3,402	2,210	977
West South Central:						
Arkansas	217	106	13,012	6,275	4,771	2,324
Louisiana	291	162	18,716	6,466	7,634	1,465
Oklahoma	332	148	22,233	3,971	8,821	907
Texas	1,668	803	125,013	39,934	50,472	14,893
WEST	**17,644**	**14,053**	**754,981**	**343,116**	**230,231**	**92,115**
Mountain:						
Montana	95	44	3,243	1,518	779	341
Idaho	126	72	6,698	1,552	2,212	370
Wyoming	43	23	1,533	558	470	127
Colorado	571	369	46,637	21,675	17,966	6,760
New Mexico	136	68	10,371	3,948	3,909	1,506
Arizona	727	427	37,602	16,701	12,125	5,580
Utah	205	120	13,034	3,004	4,187	846
Nevada	168	90	10,032	3,652	3,588	1,029
Pacific:						
Washington	986	625	59,411	21,639	22,350	6,915
Oregon	623	393	26,601	13,312	8,251	4,184
California	13,689	11,614	525,293	246,572	148,841	60,524
Alaska	24	12	1,524	140	395	14
Hawaii	251	196	13,000	8,844	5,158	3,919

Source: 1978 Bureau of Census/U.S. Dept. of Commerce

Lawn*Garden Marketing

FEBRUARY, 1981

Electronic Copy

Watering products:

New directions in marketing, design, demand

page 8

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Lawn & Garden Marketing

The merchandising magazine for lawn, garden and leisure living products

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Coming in March:
A primer on advertising for retailers. *Executive Forum* will feature directors of three national trade associations commenting on regulatory reform during the Reagan administration.

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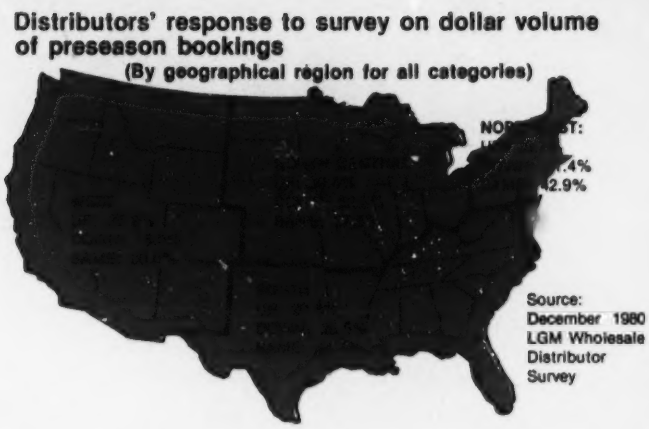
Bookings for '81

Wholesaler dollar volume up

The *Lawn & Garden Marketing* survey reported here was conducted in December.


Distributors' response to survey on dollar volume of preseason bookings
(By geographical region for all categories)
NOR ST:
.4%
2.9%
Source: December 1980 LGM Wholesale Distributor Survey

■Thirty-one percent of wholesale distributors surveyed report that the dollar volume of preseason bookings for lawn and garden merchandise was higher for the 1981 sales season than for the 1980 season. In a survey taken a year ago, 45 percent of those surveyed reported an increase.

Forty-four percent report that preseason bookings are about the same as last year, and 25 percent report a decrease in sales. Last year's survey showed only 13 percent of the respondents reporting a sales decrease.

These results are from a **Lawn & Garden Marketing** survey of 315 major distributors of lawn and garden products; 150 responded to the survey.

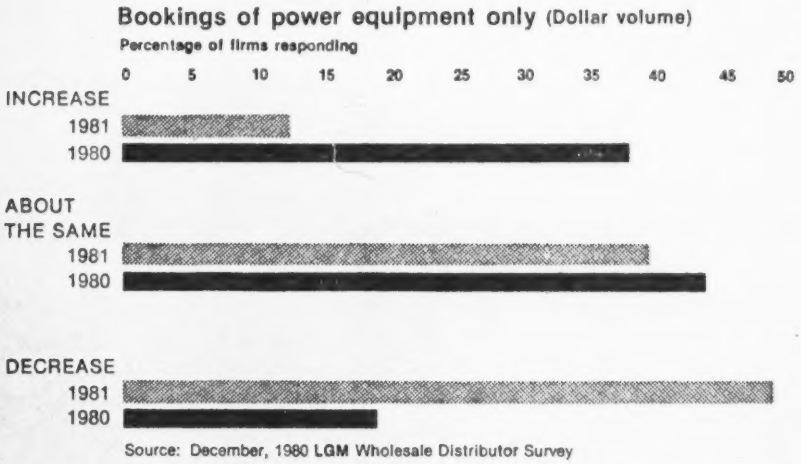
Of those distributors selling only power equipment, 48.5 percent report a decrease. This is probably a result of last summer's drought, the high cost of money and the retailers' increasing reluctance to risk carrying over large inventories into the next season, especially on slow-selling high-ticket equipment. Only 19 percent of these distributors reported a decrease last year.

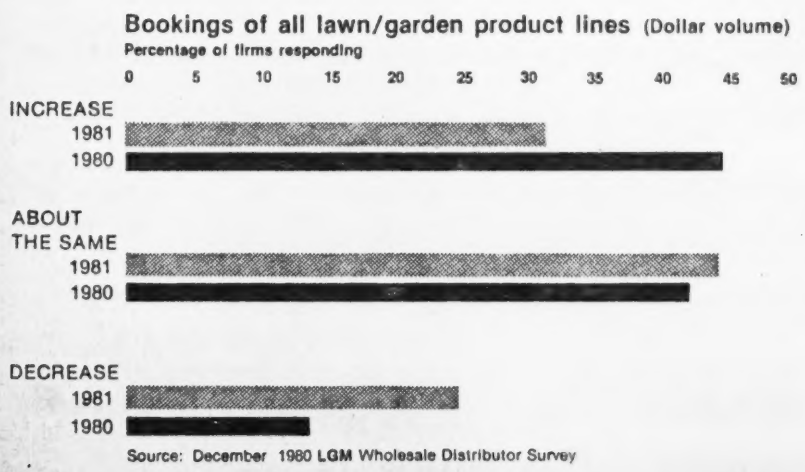
Forty percent of the distributors in the North Central report an increase in sales. The South, with 30 percent, and the West, with 25 percent, fell far short of the percentage of distributors reporting gains in last year's survey. In that survey, 48 percent of the distributors in the South and 58 percent of those in the West reported an increase.

Net results of the survey showed almost no change; the increase and decrease offset each other.

This survey does not necessarily indicate that sales for the 1981 season will be lower than they were last year; a severe winter storm, for example, could send sales skyrocketing. What this survey does indicate is that retailers are not ordering as much merchandise before the start of the season as they did last year.

These data represent only the merchandise booked through wholesale distributors; they do not include the sizable quantities of merchandise booked by mass merchandisers who make bookings directly from the manufacturer. □





Manufacturers' shipments total $1.98 billion

■Manufacturers' shipments of riding and nonriding lawn, garden and snow equipment totaled $1.98 billion in 1979, an increase of 39.5 percent over the previous year's total. Shipments of nonriding equipment increased 42 percent, from $841.2 million to $1.2 billion; riding equipment shipments increased 34.8 percent, from $577.4 million to $778.6 million.

These figures are from a report (No. MA-35A(79)-1) issued December 1980 by the U.S. Department of Commerce, Bureau of the Census. (See table.)

Snow equipment

The most significant increases were recorded for snow thrower and snow blower shipments. Single-stage unit shipments skyrocketed 362 percent, from 244,000 in 1978 to 1.13 million in 1979; dual-stage units experienced a 107-percent increase. Shipments of single- and dual-stage snow throwers increased 266 percent since 1977. In 1979, snow thrower attachments increased 234 percent, from 19,700 units to 65,919. The dollar volume of rotary mower deck attachments more than doubled to $54.5 million.

Although shipments of front-engine lawn tractors and riding mowers remained stable, increasing only 8.4 percent, the value of the shipments increased 52 percent, meaning price increases for these units were substantial.

Figures for other riding equipment also remained stable. Overall garden tractor shipments increased a modest 8 percent, with tractors 13.9 horsepower and under decreasing 26 percent. Rear-engine lawn tractors and riding mowers increased 13 percent.

Shredder/grinders

Increases were reported for most product categories; however, decreases were recorded for shredders and shredder-grinders, down 14.7 percent; parts and attachments for nonriding lawn, garden and snow equipment, down 23 percent; and yard vacuums and blowers, down 28.7 percent. □

The original lever-action garden tools.

Clearly the leader in terms of unequalled performance, Wallace garden tools are made differently to work better. Power Lever® is what does it, a patented, multiple pivot point design concept which reduces cutting effort by 50%. There's more. Blades are replaceable high carbon cutlery steel treated with Teflon-S and they cut perfectly, right to the tip. Anvils are adjustable. Wallace shears are definitely worth a closer look.

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Manufacturers' shipments of equipment—1979 and 1978

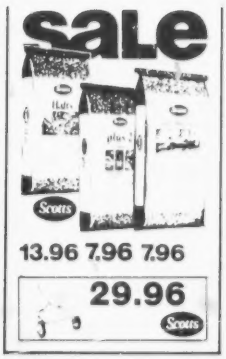
(Quantity in units; value in thousands of dollars)

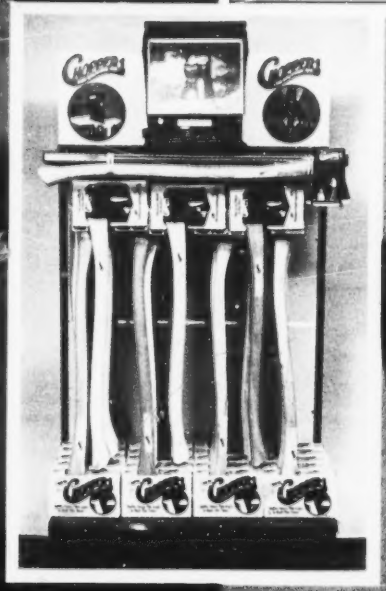
Type of equipment	Number of firms	1979 Quantity shipped	1979 Value shipped	1978* Quantity shipped	1978* Value shipped
Consumer nonriding lawn, garden and snow equipment	66	17,357,951	1,201,033	(X)	841.2
Lawn mowers:					
Reel, push type, nonpowered	2	64,192	10,575	121.5	3.1
Reel, push type, gas powered	8			35.7	6.0
Rotary, push type, gas powered	30	3,805,610	340,702	3,080.5	249.7
Rotary, self-propelled, gas powered	25	1,235,431	176,922	996.0	132.1
Electric, all types, including battery powered	4	269,623	27,567	157.5	15.7
Rotary garden, motor tillers	27	546,540	96,901	499.0	115.0
Two-wheel tractors, walking type, except rotary tillers	3	5,836	1,816	.....	.....
Snow throwers (snow blower), except attachment type:					
Single stage	11	1,129,068	210,746	244.2	37.9
Dual stage	11	302,436	126,795	146.1	50.9
Powered lawn edgers/trimmers:					
Fixed blade, gas	8	2,489,558	24,377	2,208.4	57.6
Fixed blade, electric	3				
Other than fixed blades	5	7,051,841	160,165	6,023.4	112.9
Shredders and shredder-grinders	5	14,039	2,600	16.1	3.4
Powered hedge trimmers	1	.....	.....	(S)	.....
Yard vacuums and blowers	10	30,920	8,406	39.8	11.6
Lawn sweepers, push type and powered, except attachment type	2	.....	.....	89.5	5.0
Other consumer nonriding lawn, garden and snow equipment	7	412,857	13,461	(X)	19.4
Consumer nonriding lawn, garden and snow equipment, n.s.k.	(X)	(X)	(X)	(X)	0.4
Parts and attachments for consumer nonriding lawn, garden and snow equipment	43	(X)	83,842	(X)	103.2
Parts	39	(S)	83,842	(X)	70.6
Attachments	23			(X)	32.6
Consumer riding lawn, garden and snow equipment	27	1,041,135	778,614	(X)	577.4
Lawn tractors and riding mowers, front engine:					
Under 8 hp	4	140,918	72,397	460.4	194.9
8 hp to 9.9 hp	14				
10 hp and over	14	358,112	225,046		
Lawn tractors and riding mowers, rear engine:					
Under 6 hp	10	37,272	13,390	259.6	108.6
6 to 7.9 hp	4	51,549	21,819		
8 hp to 9.9 hp	15	166,190	65,119		
10 hp and over	6	39,118	25,706		
Garden tractors:					
Under 10 hp	3	65,811	86,095	13.1	12.1
10 hp to 13.9 hp	13			70.0	88.5
14 hp to 15.9 hp	12	36,411	63,486	33.1	51.8
16 hp to 19.9 hp	17	145,754	205,556	68.6	105.7
20 hp and over	2			107.1	15.7
Other consumer riding lawn, garden and snow equipment	1				
Consume: riding lawn, garden and snow equipment, n.s.k.	(X)	(X)	(X)	(X)	.....
Parts and attachments for consumer riding lawn, garden, and snow equipment	42	(X)	251,992	(X)	199.3
Parts	28	(S)	108,164	(X)	127.1
Attachments:					
Rotary, mower decks	17	706,003	54,520	105.5	25.0
Rotary tiller attachments	10	26,660	11,138	30.5	9.4
Blades, dozer	16	72,196	8,644	50.7	5.8
Snow throwers	14	65,919	20,849	19.7	5.3
Carts and wagons	18	19,598	2,783	25.8	3.0
All other attachments	20	168,552	45,894	(X)	23.6

-Represents zero. n.s.k Not specified by kind. (S) Does not meet publication standards. (X) Not applicable. *Quantity in thousands of units. Value in millions of dollars.

Lawn Garden Marketing

MARCH 1981





Managing the ad media maze

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MARCH 1981 • VOL. 20 • NO. 3 • PUBLISHED 10 TIMES ANNUALLY

Lawn & Garden Marketing

The merchandising magazine for lawn, garden and leisure living products

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Guy Lamolinara, Associate Editor
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Controlled circulation postage paid at Kansas City, MO.

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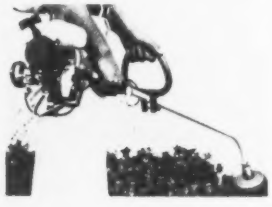
12 Managing the ad media maze. Increasing costs and shrinking ad budgets make selecting advertising media and developing an attention-getting campaign more important than ever.



19 Getting an 'A' in spin trimmers. It is time for retail sales personnel to do their homework on spin trimmers. Frank Buckingham, engineer and gardening writer, underscores major selling points.

26 Executive Forum. Regulatory reform: Views from three association executives. Dennis Dix, executive director and chief operating officer for the Outdoor Power Equipment Institute Inc.; Robert Lederer, executive vice president of the American Association of Nurserymen; and William Farrell, executive director of the American Hardware Manufacturers Association, explain their views on the chances of regulatory reform under the Reagan administration and their choices for areas to be reviewed.

DEPARTMENTS

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Coming in April/May:
Second-season selling: Snow removal and clean-up equipment, the indoor green scene and holiday products merchandising are featured.

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Power Equipment Highlights

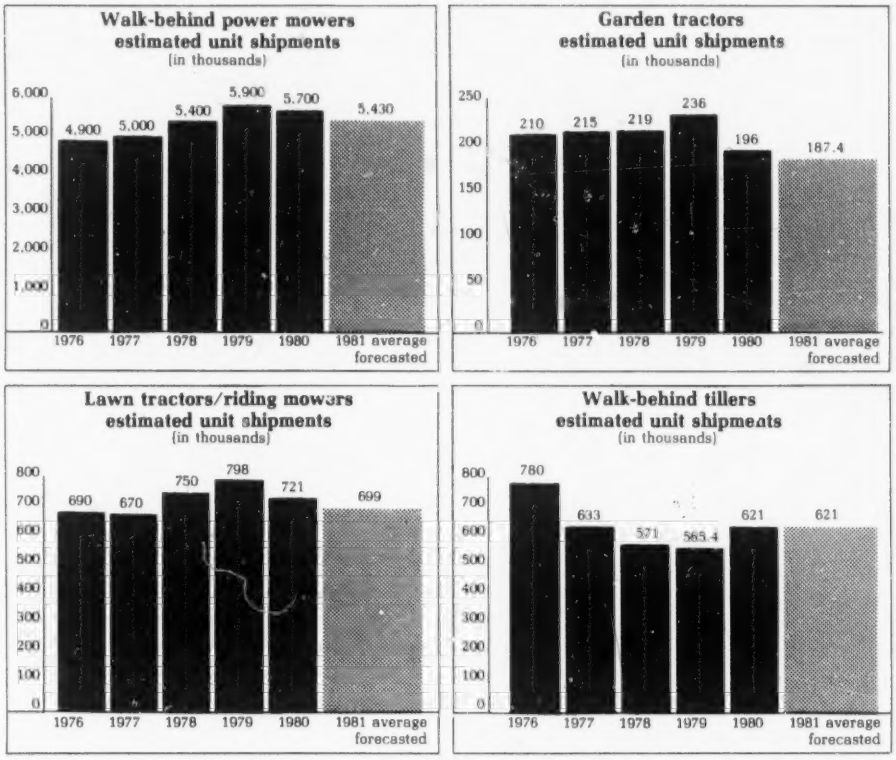
Vol. 2, No. 3 March 1981

Manufacturers project decline in '81 shipments of key equipment

The average forecast of 27 manufacturers responding to an OPEI industry survey on four key product lines is for an overall 3.1 percent decline in selected shipments for the 1981 model year, which began Sept. 1.

With the exception of rotary tiller shipments, which are expected to remain flat, the projections are for a 4.7 percent decline in shipments of walk-behind mowers, a 3.1 percent decline for lawn tractors and riding mowers and a 4.4 percent decline for garden tractors. Companies reported estimates only for the markets they serve directly.

The industry projects the Consumer Price Index to increase 12.1 percent in 1981; the Gross National Product is predicted to increase 0.6 percent when measured in 1972 dollars. Housing starts are projected at 1.25 million, the unemployment rate at 7.6 percent and the increase in producer prices for finished goods at 13 percent. Personal disposable income is forecast to increase 0.4 percent.



Source: Outdoor Power Equipment Institute

Toro president fired; payroll slashed

The downturn in the power equipment market has resulted in a major shakeup at The Toro Co. President John J. Cantu, three vice presidents and between 100 and 125 salaried workers were fired in mid-February.

David T. McLaughlin, board chairman and chief executive officer, said the company would return to a marketing strategy based on "consistent" rather than very rapid growth.

The boom 2 years ago in snow throwers encouraged Toro to expand its snow thrower production, but the lack of snowfall in the winters of 1979-80 and 1980-81 left huge inventories in many warehouses and showrooms in the snow belt.

Black & Decker lays off about 800

Black & Decker Manufacturing Co. has laid off about 800 workers at its McCulloch Corp. unit in Lake Havasu City, Ariz., and at its Hampstead, Md., power tool plant. The layoffs are part of a program to soften the effects of the recession.

The company has also laid off 60 workers at its Fayetteville, N.C., plant, which was closed Jan. 19-23 and Feb. 23-27.

More than 1,400 workers worldwide have been laid off by the company.

90-day Sensation warranty extended to 1 year

Effective Feb. 1, The Sensation Corp. extended all 90-day warranties on its commercial mowers to 1 year. Warranties will be in effect from the date of purchase for all 14-, 19- and 21-in. walk-behind mowers and 24-in. hi-wheelers purchased after Feb. 1. For details, write to the sales and marketing department at The Sensation Corp., 3601 N. 16th St., Omaha, Neb. 68110.

Lawn Garden Marketing

APRIL/MAY 1981

5/20/81 C 4725-2

Second-Season Selling

A blend of 11 basic product lines

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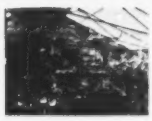
8 Merchandising the second season. Lawn and garden retailers have been discovering the profit potential in second-season product lines. Retailers are diversifying their product mix to maximize benefits from this trend. By Guy Lamolinara, associate editor.

8 Gro Group aims to boost second-season sales curve. Gro Group Inc., Bedford, Mass., helps members to build traffic from August through mid-February and improve in-store merchandising, selling of tie-in products and consumer recognition of participating dealers' product lines. Charles H. McColough, executive vice president, gives his views. By Wendall J. Burns, editor, and Guy Lamolinara, associate editor.

18 Executive Forum. Dealer associations: How they serve their members. By uniting to solve their problems, dealer association members can achieve goals more efficiently and have a unified voice when discussing problems with distributors and manufacturers.

26 Products for quick, easy debris handling. This is the third and last article in a series stressing product knowledge for outdoor power equipment retailers. New units and sales techniques are reviewed. By Frank Buckingham, engineer and gardening writer.

38 Foliage crop sales show modest increase. The indoor foliage boom of the '60s and '70s has leveled off; growers expect to increase production area by only 2 percent this year. A graph showing the net value of foliage crop shipments since 1975 is included. By Guy Lamolinara, associate editor.



41 Phillips Products survey shows fewer households keeping more plants than previous year. Tables showing the households keeping plants, place of purchase and number and type of planters per household are included.

42 Parts and service come into limelight. This is the first in a series of three articles on the increased importance of parts and service in the power equipment business. A graph showing servicing dealers' income sources is included. By Wendall J. Burns, editor.

55 Mild winter imperils snow thrower sales. 1980-81's mild winter sent snow removal sales plummeting. A graph showing snow thrower manufacturers' shipments since 1966 is included.

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Coming in June/July: Alternative energy products: New market and technical data on wood-related products, kerosene and quartz heaters and the technology and marketing of solar devices.

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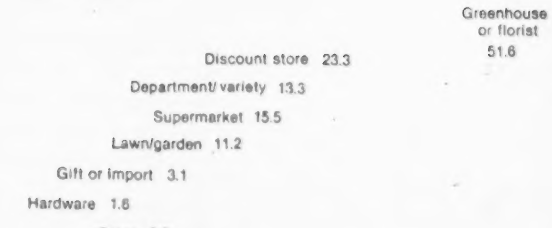
Net value of foliage crop sales
millions of dollars

Source: USDA Crop Reporting Board.

Place of purchase



Source: Phillips Products Company Inc.

Households keeping plants
%

Source: Phillips Products Company Inc.

Number and type of planters per household

Source: Phillips Products Company Inc.

Phillips Products survey shows

Fewer households keeping more plants than previous year

■Approximately 80 percent, or 58 million, of the households in the United States keep plants, according to the most recent Phillips Products Garden Scene survey. Of those households keeping plants, 45 percent say they will keep more plants in the future than they are currently keeping.

Results indicate that the proportion of households keeping more plants than in the previous year continues to level off. In 1975 54.7 percent indicated they were keeping more plants than in 1974; 65.8 percent indicated they were keeping more plants in 1976 than in 1975. This figure dropped to 57.7 percent in 1978 and to 53.2 percent in the latest survey, taken in 1979.

Although most people still buy their plants from a greenhouse, florist or lawn and garden store, the percentage purchasing their plants from these outlets has changed very little since the 1975 survey, when 64.6 percent indicated they purchased plants from these outlets. The 1979 figure was 62.8 percent.

Supermarkets and discount stores continue to make significant inroads into the plant market. In 1975 6.6 percent indicated they usually purchased plants from supermarkets; this figure jumped to 15.8 percent in 1979. Discount stores held only a 12.3 percent share of plant purchases in 1975; in 1979 that share climbed to 23.8 percent.

Between 1975 and 1976 there was a significant increase in the percentage of those who bought a separate container for their plants: 63.3 percent in 1975 and 68.9 percent in 1976. The 1976 figure, however, varies very little from the 69.9 percent who bought separate containers in 1979.

Discount stores were chosen most often as the place at which more of these containers were bought. In 1979 48.2 percent usually bought separate containers from a discount store; only 33.5 percent purchased containers from a greenhouse, florist or lawn and garden store.

The average number of planters kept in a home has more than doubled since 1975, when only 10 planters per home were indicated, compared with 20.7 planters in 1979. Clay, with an average of 7.4, and plastic, with an average of 7, were the most common materials for these containers. An average of 3.6 containers were ceramic, and glass, wood, metal and wicker accounted for less than 1 each.

The use of plastic containers is increasing at a faster rate than any other material. The average number of plastic containers increased 192 percent since 1975; the average number of clay containers increased 95 percent. □

Nearly 70 percent of those who bought plants in 1979 bought a separate container for them, according to the Phillips Products survey. The most commonly chosen material for planters was clay, followed closely by plastic.

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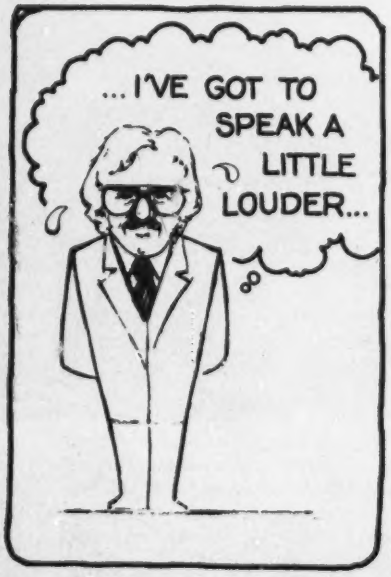


Circle (31) on Reply Card

Servicing dealers' income sources
(1980 medians)

Labor and parts	41%
New equipment	44%

Source: 1980 LGM survey

Parts and service come into limelight

This is the first in a series of three articles on the increased importance of parts and service in the power equipment business.

By Wendall J. Burns, editor

■The stepchild of the industry is coming into the limelight this year. Parts-and-service, a business segment that has been largely ignored or kept in the back shop, is getting increased attention. Will the spotlight on this business duo turn them into profitmakers for the servicing dealers? Will it be enough to sustain them through the slump in sales of new equipment?

The answers to these questions will depend on the local economy and weather, factors that the dealers cannot control. It will also depend on factors they can control: charging the customer an adequate rate for labor, the hiring and training of mechanics, the decision on how to handle warranty service (including products sold by competitors). It will also depend on advertising and other management skills needed by any small service business.

From many segments of the industry and all sections of the country, the reports early this spring verified some earlier predictions: The demand for parts and service for outdoor power equipment is on the increase.

A typical statement by dealers is, "Faced with inflation from every side, (customers) would rather pay $30 or $40 to have the old mower fixed up than pay $300 to $400 for a new one."

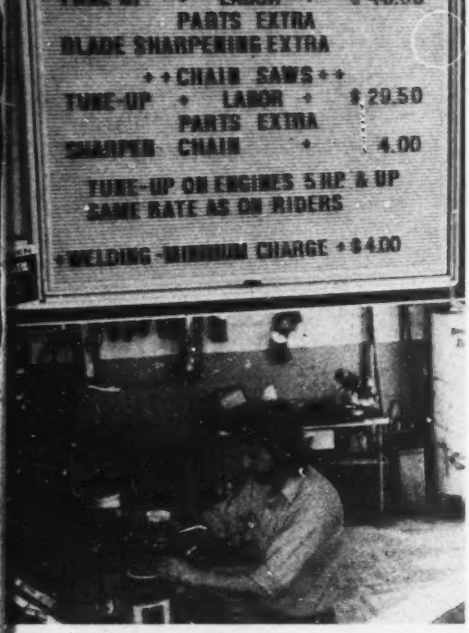
The trend is welcomed by many dealers. Finding it increasingly difficult to compete in the sale of whole goods with the mass merchandisers, they plan to put more emphasis on income from service and parts.

The 1980 survey of servicing dealers by **Lawn & Garden Marketing** showed that 41 percent of the dealers' income was from sales of parts and labor: 19 percent from parts and 22 percent from labor.

The remainder of the dealers' income was from sales of new equipment—44 percent—from sales of other merchandise—4.2 percent—and used equipment—9.2 percent.

At the time of the survey, two major reasons were given for the expected increase in service business by the specialty dealers:

- Inflation and
- Implementation of safety legislation that would have forced the introduction of new, complex mechanisms on walk-behind



Charging customers an adequate rate for labor, hiring qualified mechanics and proper handling of warranty work are factors servicing dealers can control to increase profits and help temper the slump in sales of new equipment.

mowers to stop the blade in three seconds.

Although the implementation of that proposed safety legislation has been put on hold by the federal government, other factors have come into play to favor the servicing dealers' outlook for increased parts and service business. Parts manufacturers are reporting that business is brisk.

Parts manufacturers who sell to the manufacturers of whole goods and to the distributors of replacement parts report that sales to the distributors are up, but volume of shipments to manufacturers is down considerably.

Some of the best sellers to the replacement market have been tune-up kits, mufflers, mower blades, wheel belts, throttle cords and starter handles. Demand is proportionately greater for parts for walk-behind mowers than for parts for riders.

The specialty retailers are divided on the subject of servicing equipment sold through mass retail outlets. Some see this business as the route to survival. Others are maintaining the position of "servicing only what we sell."

continued...

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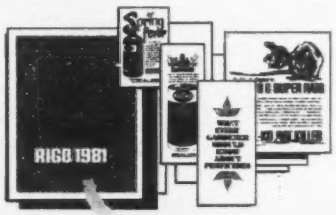

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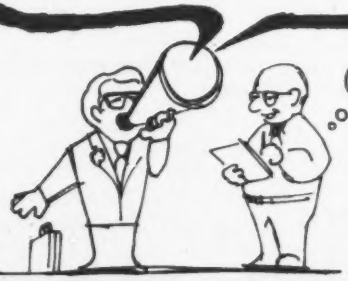

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Parts and service

...continued

Pricing

Others are taking a new look at their pricing structure. Whereas they once considered equipment repair as a "courtesy to the customer" and operated the servicing department at a loss, dealers are looking at service shops as profit centers and are raising labor rates.

They are also taking a closer look at gross margins on parts sold. They can begin with markups of 35 to 40 percent on replacement parts, compared with a 20 to 25 percent markup on the sale of new equipment. It is their shrinking margins on new goods caused by competition that has concerned the independents in recent years.

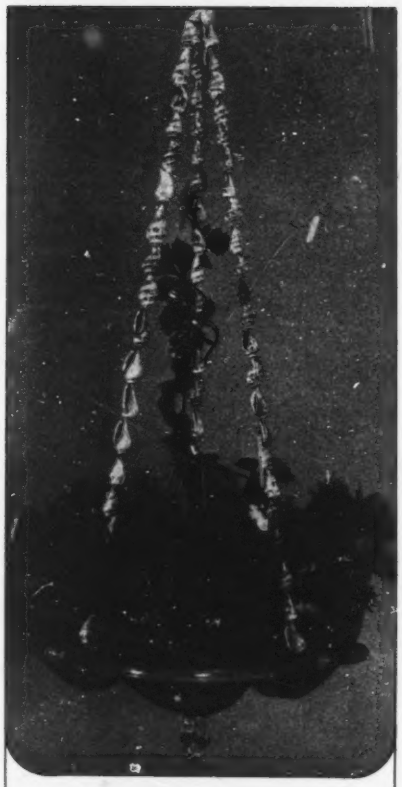
With their emphasis on service, the independents can more or less call the shots for this segment of the business.

Although they may dominate the service segment of the business, it may not be easy for the servicing dealers to dominate the parts business. Well aware of the public's current need to cut costs and the new emphasis on D-I-Y, the mass retailers are beginning to promote power equipment parts. One chain of home centers even scheduled a series of clinics in its stores in April to show the public how to change blades on lawn mowers and to perform other minor equipment service and repair jobs.

This concerns some of the servicing dealers. Others say that when the D-I-Yers get in over their heads when repairing engines, they bring the equipment in to the dealers anyway; these customers often walk out with a bigger repair bill than if they had brought it in for repairs without trying to fix it themselves.

Another survival strategy being used by the servicing dealers is fixing up and selling used equipment. That has been the key to success for many auto agencies in recent years, says one power equipment distributor. If a dealer learns how to trade right for equipment, he says, he can move a lot of new equipment and make good profits on the fixed up units that he brings in on trades.

The topic of taking trade-ins on new equipment will be covered in one of the articles in this series on parts and service. □



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8 Leading an energy revolution...in Washington and at the grass roots. Wood, kerosene, solar and quartz are currently the most common alternative energy product lines being marketed. Rep. James Jeffords of Vermont and Pat Kelley, president of Energy Exposition, give their views on the future of energy-saving products in the United States. By Wendall J. Burns and Guy Lamolinara.

17 Merchandising the sun's energy. A survey of products and technology available for lawn and garden/home center retailers wanting to enter the field of merchandising solar energy devices for do-it-yourselfers. By Guy Lamolinara.

22 Catalytic combustion in wood stoves: Marketing implications, technical data. The catalytic combustor represents a breakthrough in wood-heating technology. Sales and trends are reported in the "Wood Energy Market Overview" in this article. By Wendall J. Burns.

32 Kerosene heater sales fire up. An Illinois retailer talks about his success in merchandising kerosene heaters. By Guy Lamolinara.

38 Chain saw, log splitter market update. In the past year, many manufacturers have introduced new models. By Guy Lamolinara.

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On the cover: Art Director Anita Blattner designed the cover using a sample catalytic combustor. The various warm hues suggest heat from the sun, wood, kerosene and other sources.

Coming in August: In-depth coverage of the Lawn, Garden & Outdoor Living Division of the National Hardware Show and seminars, plus coverage of other major shows coming up during the prime fall sell-in season. Part 2 of a series on the power equipment parts and service business.

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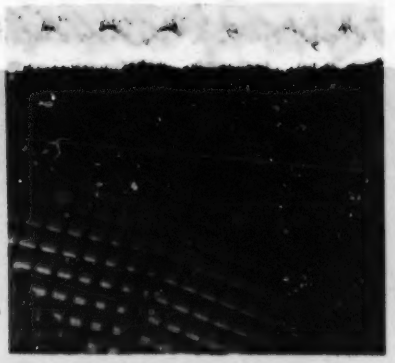
Merchandising the sun's energy

A survey of technology and products available for lawn and garden/home center retailers wanting to enter the field of merchandising solar energy devices for do-it-yourselfers.



By Guy Lamolinara, associate editor

■Who will claim distribution leadership for solar energy products?

"From my point of view, lawn and garden centers seem to be the natural candidate, but the business truth is that distribution will be controlled by the retail group that reaches out **now** and establishes itself as the leader," says Tom McCabe, sales manager for One Design Inc., Winchester, Va., a manufacturer of solar energy products.

As energy costs continue to squeeze consumers' finances, there will be a surge in demand for solar energy products. Solar collector manufacturing activity has risen 1,427 percent since 1974, according to the U.S. Department of Energy. Whichever retail group "grabs the market and holds on tightest will be the natural source for these products in the future," McCabe says.

Solar products retailers

A retailer that has been successfully selling solar products is Friedman Bros. Hardware, Santa Rosa. Ken Sellai says the company has been selling active and passive water heating systems. The company also handles the necessary installation equipment, such as pipes and wiring. Passive greenhouse kits are an important part of this business.

"Solar energy is a growing department for us," he says. "It's becoming more readily acceptable in the Santa Rosa area."

The company promotes solar products by advertising in newspapers and flyers. Working displays in front of the store have also increased sales.

"Solar is pretty hot," says Mike Nagel, Orchard Supply Hardware, San Jose. Orchard Supply handles a complete line of solar energy products, including collectors from Advanced Energy Technology, controls, pipes, fittings and storage tanks in 65-, 80- and 100-gal. sizes.

Nagel says that a year ago solar products did not sell very well, but

continued...

A water wall can be installed to fit between a wall's studs. This unit, from One Design Inc., allows natural daylight to pass through and can accommodate bookshelves.

Solar collector types

Passive

solar window, greenhouse, skylight — masonry (Trombe) or water wall; roof pond; reflector

Active

flat-plate collector — air type; liquid type

concentrating (parabolic) collector — tubular collector; photovoltaic cell

The choice of collector depends on the operating temperature required, the amount of sunshine in the area and the average outdoor air temperature. These are the most commonly used collectors and their applications:

agriculture and pool heating
— unglazed or single-glazed flat plate (often plastic)

space and hot water heating
— flat plate (metallic)

air conditioning
— high performance flat plate

industrial process heat (200-400° F)
— evacuated tube

A glossary of energy terms

Active solar system—A system based on the transfer and use of solar energy by mechanical means. Active components may include collectors, storage tanks, rock beds, thermostats, pumps, fans and heat exchangers.

Btu (British thermal unit)—The amount of heat required to raise the temperature of 1 pound of water 1°F.

Low-temperature collector—A solar collector that operates at temperatures below 110°F. Typically, it has no glazing or insulation and is made of plastic or rubber, although some are metal.

Medium-temperature collector—A solar collector that operates at temperatures from 140° to 180°F. Typically, it has one or two glazings, a metal frame, a metal absorption panel with integral flow channels or attached tubing (liquid collector) or with integral ducting (air collector) and insulation on the sides and back of the panel.

Passive solar system—A system that uses the natural processes of conduction, convection and radiation to heat or cool a structure. To qualify for tax credit, the passive system must have a solar collection area, absorber, storage mass, a heat distribution method and heat regulation devices.

Photovoltaic cell—A cell that produces electricity when exposed to sunlight. The electricity produced may be used immediately or stored in batteries for later use.

Quad—A quadrillion Btu, which is roughly equivalent to the energy in 8 billion gallons of gasoline, a year's supply for 10 million automobiles.

Renewable energy source—An energy source that is renewable constantly or cyclically, such as solar or wind energy.

Solar energy collector—A device designed to receive solar radiation and convert it to thermal or electrical energy. A solar thermal collector usually includes a frame, glazing and an absorber together with appropriate insulation. The heat collected can be used immediately or stored for later use. Water or antifreeze solutions are the most common working media for transferring heat from the collector; air and special oils that are activated at high temperatures are used in many systems. Pool covers and other devices that do not involve the transport of energy through a working medium are not considered to be solar thermal collectors.

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D-I-Yers can easily install active solar greenhouse kits, such as this one, manufactured by Garden Way Research.

Source: U.S. Department of Energy.

with increasing public knowledge and the local Pacific Gas & Electric and federal tax credits his sales have doubled since 1979.

Orchard Supply, which operates 12 stores in the south San Francisco Bay area, has installed working models on store roofs. When customers see that the retail outlet selling solar products is itself interested in saving energy and money, they are more inclined to buy the products themselves.

So far the store advertises solar only in newspaper ads. These ads contain energy-saving tips and recommend products to save energy. The store promotes itself as "Your do-it-yourself solar headquarters." The ads show the store's solar collector installation and emphasize that Orchard has all the components necessary for a solar system.

Merchandising solar products

Retailers who are serious about getting a jump on the solar energy products market need to become experts on what is available and what it can do; they also need to be able to match the consumers' needs to the products. Because many consumers are unknowledgeable about these products, the retailer must position himself as the local professional.

An excellent information source for products and manufacturers is the National Solar Heating and Cooling Information Center in Rockville, Md.* Many book publishers, such as Ortho, Garden Way, Better Homes and Gardens, Sunset and Brick House, publish solar and other energy-related books (see "Book Reviews" in this issue). These books can serve a two-fold purpose: They can be used to educate consumers as well as retailers. Books can also promote hefty tie-in sales, especially in this market, because many shoppers are wary of purchasing these products without prior knowledge.

Income tax credits are an important incentive to buy these products. Consumers will want to know which products qualify for the federal tax credit and it is up to retailers to provide accurate information. Federal income tax form 5695 should be familiar to all personnel selling these products. This form outlines credits available to homeowners. NSHCIC has compiled a list of state tax credits for solar systems, Solar Data Bank Report No. 107; some states do not provide credit for these systems.

Another way for retailers to tell consumers, "We're serious about saving energy," is to install solar products in their stores. Nurseries, for example, can active solar retrofit their greenhouses; garden centers can install commercial solar energy heating and cooling systems.

Some retailers are holding energy clinics/seminars to make consumers more aware of solar energy products and their advantages. These retailers are taking advantage of rising energy costs to spur cost-conscious consumers to purchase these systems.

Passive solar

The two major types of passive solar products, collector/storage units and solar window greenhouses, can easily be sold to D-I-Yers through garden centers and hardware/home centers.

Many manufacturers are marketing easy-to-install greenhouse kits. When attached to a house, the structure's heat can be opened or closed to the house as weather dictates. Garden Way, Charlotte, Vt., has developed an active solar greenhouse kit that retains solar heat during the day and slowly releases it at night. Insulated glazing and sidewalls, a masonry foundation and a reflective curtain reduce night-time heat loss. In winter excess heat is circulated through the home by an automatic air control system; in summer hot air is vented outside.

Masonry and water walls are the most common type of collector/storage unit. The One Design Stud Space Module can be installed to fit between a wall's studs; the unit also allows natural daylight to pass through. The surface of the module is suited for hanging houseplants or mounting bookshelves, or it can be covered with cloth or other material for a more finished look.

Active solar

Flat-plate collectors are currently the most economical and practical component for collecting the sun's rays. The basic components of flat-plate collectors are an absorber, usually made of sheet metal with liquid or air passages attached, a translucent glazing of plastic or glass and insulating material to keep collected heat from escaping.

In an air collector, such as the Solar Pak II heating system from the Chicago Solar Corp., Faribault, Minn., air is heated as it passes through a collector connected to an insulated duct that distributes warm air wherever it is needed. Liquid collectors, such as those manufactured by Sunworks, Somerville, N.J., heat

continued...

*To contact the National Solar Heating and Cooling Information Center write NSHCIC, P.O. Box 1607, Rockville, Md. 20850.

water or other liquids, usually oil or antifreeze mixtures, while passing through the absorber's tubes.

Automatic controls are necessary to regulate heat flow and solar collector activity. Richdel Inc., Carson City, Nev., manufactures devices to [illegible] heating systems, among others. Systems for pool heating are currently the most common type of solar system and the easiest to install.

Solar collectors convert solar energy into heat; photovoltaic cells convert solar radiation into electricity. The high cost of production for these cells, however, offsets their value as a marketable item. Extensive research is being done to develop more energy efficient (photovoltaics operate at efficiencies between 5 and 16 percent) and cheaper cells. □

Federal income tax credits

In 1978 former President Carter signed legislation to institute an income tax credit for the installation of energy conservation materials and renewable energy systems in a taxpayer's residence. This legislation was part of the national plan to conserve energy and reduce dependence on imported oil. In 1980 new legislation increased the tax credits for renewable energy and expanded the list of eligible items. The increased credit will be available at least through 1985.

The tax credit is really two credits: one for **energy conservation materials** and one for **renewable energy systems.** The two credits are calculated separately, but both may be claimed by qualifying taxpayers.

Credits for energy conservation. For installing eligible conservation materials, a taxpayer may claim a credit against his income tax liability equal to 15 percent of the first $2,000 spent on materials and labor. Items that qualify for this credit include:

- caulking and weatherstripping,
- automatic energy-saving setback thermostats,
- display meters that show the cost of energy usage and,
- devices for modifying flue openings.

The maximum credit a taxpayer can claim for a single building is $300. The maximum (15 percent of $2,000) is the total amount that can be claimed through 1985. However, if the taxpayer changes his principle residence during this period, he would again be eligible to claim the maximum credit. The building on which these items are installed must have been substantially completed by April 20, 1977; items installed in new construction do not qualify.

Credit for renewable energy. The income tax credit for the installation of renewable energy equipment is 40 percent of the first $10,000 spent on materials and labor. Solar, wind and geothermal energy systems qualify for credit.

The federal government defines solar energy equipment as equipment and materials of a solar energy system that, when installed in connection with a dwelling, transmit or use solar energy to heat or cool the dwelling, provide hot water for use within it or generate electricity. Both active and passive systems may qualify for credit. However, only materials whose sole purpose is to transmit or use solar radiation are eligible for tax credits. Materials or structures that have a significant structural function, such as floors, support walls and greenhouses, are not eligible.

For further details on energy credits call the local IRS office and ask for form 5695, Energy Credits.

Form **5695** — Department of the Treasury, Internal Revenue Service

Energy Credits

▶ Attach to Form 1040. ▶ See instructions on back.

1980

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Name(s) as shown on Form 1040 | Your social security number

Enter in the space below the address of your principal residence on which the credit is claimed if it is different from the address shown on Form 1040.

Part I Fill in your energy conservation costs (but do not include repair or maintenance costs). If you have an energy credit carryover from a previous tax year and no energy savings costs this year, skip to Part II, line 16.

A. Answer the following question: Was your principal residence substantially completed before April 20, 1977? . . ☐ Yes ☐ No

B. If you checked the "NO" box, you CANNOT claim an energy credit for conservation cost. Do NOT fill in lines 1 through 7 of this form.

1 Energy Conservation Items:			
a Insulation	1a		
b Storm (or thermal) windows or doors	1b		
c Caulking or weatherstripping	1c		
d A furnace replacement burner that reduces the amount of fuel used	1d		
e A device for modifying flue openings to make a heating system more efficient	1e		
f An electrical or mechanical furnace ignition system that replaces a gas pilot light	1f		
g A thermostat with an automatic setback	1g		
h A meter that shows the cost of energy used	1h		
2 Total (add lines 1a through 1h)	2		
3 Maximum amount	3	$2,000	00
4 Enter the total energy conservation costs for this residence from your 1978 and 1979 Form 5695, line 2	4		
5 Subtract line 4 from line 3 (if line 4 is more than line 3, do not complete any more of this part. You cannot claim any more energy conservation credit for this residence.)	5		
6 Enter the amount on line 2 or line 5, whichever is less	6		
7 Enter 15% of line 6 here and include in amount on line 15 below	7		

Part II Fill in your renewable energy source costs (but do not include repair or maintenance costs). If you have an energy credit carryover from a previous tax year and no energy savings costs this year, skip to Part III, line 16.

8 Renewable Energy Source Items:			
a Solar	8a		
b Geothermal	8b		
c Wind	8c		
9 Total (add lines 8a through 8c)	9		
10 Maximum amount	10	$10,000	00
11 Enter the total renewable energy source costs for this residence from your 1978 Form 5695, line 8 and 1979 Form 5695, line 9	11		
12 Subtract line 11 from line 10 (if line 11 is more than line 10, do not complete any more of this part. You cannot claim any more renewable energy source cost credit for this residence.)	12		
13 Enter amount on line 9 or line 12, whichever is less	13		
14 Enter 40% of line 13 here and include in amount on line 15 below	14		

Part III Fill in this part to figure the limitation

15 Add line 7 and line 14. If less than $10, enter zero	15		
16 Enter your energy credit carryover from a previous tax year	16		
17 Add lines 15 and 16	17		
18 Enter the amount of tax shown on Form 1040, line 37	18		
19 Add lines 38 through 44 from Form 1040 and enter the total	19		
20 Subtract line 19 from line 18. If zero or less, enter zero	20		
21 Residential energy credit. Enter the amount on line 17 or line 20, whichever is less. Also, enter this amount on Form 1040, line 45	21		

Form 5695 (1980)

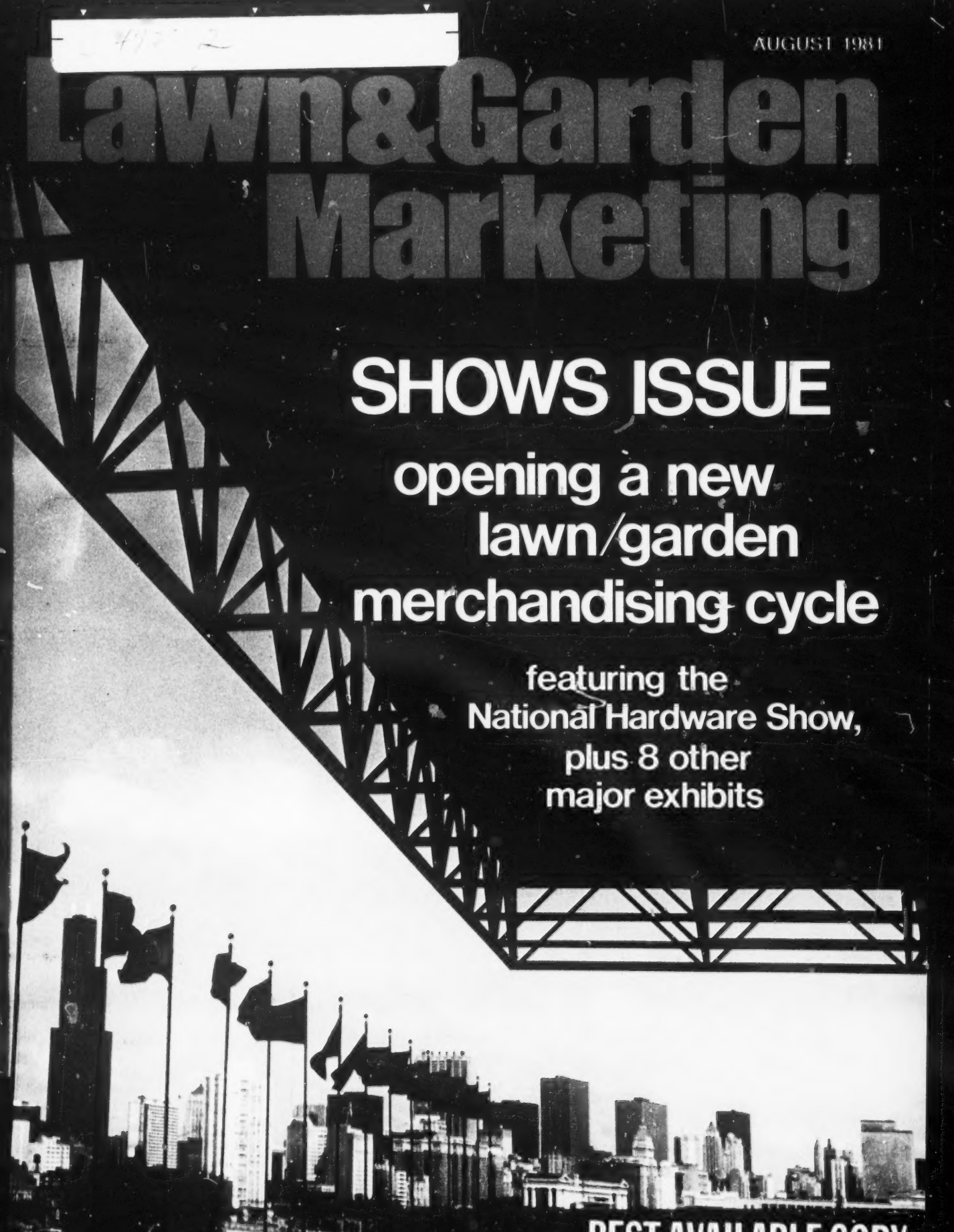
AUGUST 1981

Lawn&Garden Marketing

SHOWS ISSUE

opening a new lawn/garden merchandising cycle

featuring the National Hardware Show, plus 8 other major exhibits



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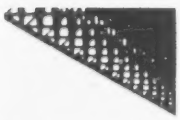
Lawn&Garden Marketing

The merchandising magazine for lawn, garden and leisure living products

6 Power equipment: State-of-the-industry report. A many-faceted look at the outdoor power equipment business, including information and outlook about the economy, safety standards and the activities of the OPEI. By Wendall J. Burns.

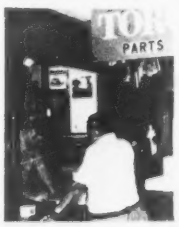
15 Power equipment forecast for 1982. Executives and other industry experts foresee a long range economic future on an upward swing; predict a slowing decline for the upcoming months.



20 Coming up: eight major shows. Dates and locations for regional, national and international shows scheduled for early fall.

30 Buyers' guide to exhibits. Over 300 NHS exhibitors are listed in alphabetical order, together with their booth numbers and the lawn, garden and related products they will be displaying.

57 National Hardware Show expands to six days. The 36th NHS is expected to be the biggest yet – use the insert to speed finding your objectives. Show times, seminar descriptions, times and places, and a map of the Lawn, Garden and Outdoor Living division are featured.



82 Selling tune-ups ends customers' doubts. Second of a three article series, concerning parts and service, this focuses on a Grandview, Mo. firm that specializes in power equipment. By Charles Ewing.

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Coming in September: Marketing strategies for the Sell-In Season will be a report on what manufacturers are offering and what retailers are seeking during the sell-in period to prepare for the 1982 lawn and garden season. There also will be an update on the market for patio products – insect control devices, outdoor cookery, and furniture.

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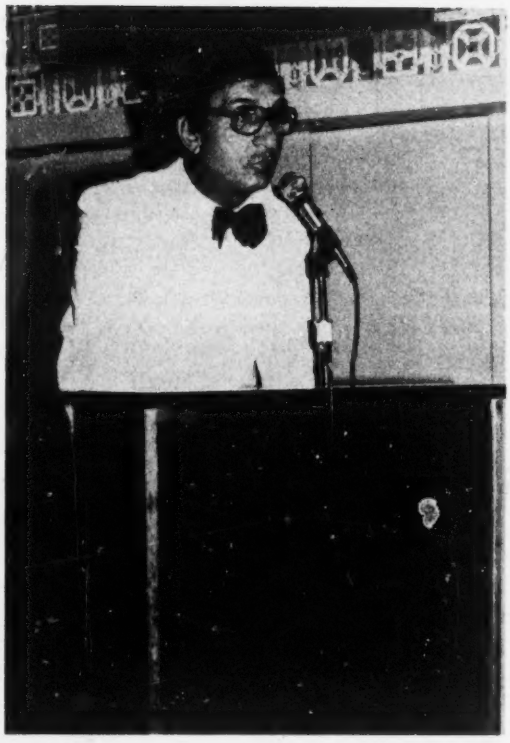

Tony Malizia

Jim Caudle

POWER EQUIPMENT FORECAST FOR 1982

A highlight of the annual meeting of the Outdoor Power Equipment Institute is the presentation by a member company of an industry forecast by OPEI members participating in an annual survey. Here is a summary of this year's presentation made by executives of McDonough Power Equipment Co. See "State-of-the-Industry Report" in this issue for additional coverage of the OPEI annual meeting.

■Shipments by manufacturers of lawn mowers and other major outdoor power equipment categories will take a slight dip again in the 1982 model year, according to forecasts by members of the OPEI who participated in a survey this year.

The forecast was presented to the membership during the annual OPEI meeting held at Sea Island, Ga., in June. However, at the time of the presentation of the data, it was emphasized that economic forecasting groups who have been serving this industry do not concur with all aspects of the manufacturers' forecast. The economists have a more optimistic outlook.

The presentation of the data to the membership was made by A. A. (Tony) Malizia, chairman and chief executive officer, and Jim D. Caudle, president of McDonough Power Equipment Co.

In a prepared statement released along with the data from the survey, the McDonough executives called the current situation "a confused market that is delaying needed purchases." They said that "1981/82 must be approached realistically. The economy is weak and recovery has been slow. Also, governmental pressure on manufacturers has increased.

"Nonetheless, a more enlightened and business-sensitive government and an improving economy should help insure growth in the mid-1980s. The opportunities exist. They must be exploited."

The manufacturers forecast the 1982 shipments of walk-behind mowers at 5,410,000, a slight decrease in unit volume from the 5,430,000 units they projected for the model year just being completed. Among those participating in the survey, the least optimistic manufacturer forecast there would be 5 million units shipped in 1982, and the most optimistic said there would be 5.9 million walk-behind units shipped.

Shipments of lawn tractors/riding mowers have been declining each year since 1979, but appear to be stabilizing in the range of 700,000 units annually, the report noted. Forecasts by the manufacturers responding in this category ranged from 550,000 to 750,000 units for the 1982 model year.

Riding garden tractors were forecast to decline slightly in the 1982 model year—to 183,000 units. The uncertainty in the industry regarding this product category was reflected by the wide range in the

continued...

Outdoor Power Equipment Shipments

(Data for 4 model years, in thousands of units)

	Actual 1979	Actual 1980	Projected 1981	Forecast 1982
Walk-Behind Power Mowers	5,900	5,700	5,430	5,410
% Change	+9	−3	−5	±0
Lawn Tractors/Riding Mowers	798	721	699	694
% Change	+6	−10	−3	±0
Riding Garden Tractors	236	196	187	183
% Change	+8	−17	−5	−2
Walk-Behind Tillers	565	621	621	615
% Change	−1	+10	±0	−1

Source: 1982 Industry Outlook, OPEI

Forecast

...continued

outlook of respondents to the survey. Some forecast industry shipments of 150,000 units, while other respondents forecast 210,000 units.

Tiller shipments were expected to reach the 621,000 unit level this year as they did in the 1980 model year, but are forecast to dip to 615,000 for the 1982 model year.

Through production and inventory restraint, the industry "should be in a good position to rebound as the economy recovers," the Snapper executives concluded.

How economist views differ

The report by Malizia and Caudle pointed out that whereas the manufacturers forecast shipments of walk-behind mowers for the 1982 model year would be 5,410,000, the forecast by outside economists was that walk-behind mower shipments would reach 5,537,000 units. The economists made these other forecasts for 1982 shipments: riding mowers, up 9.4 percent; tractors, up 13 percent; tillers, down .3 percent.

"As economic forecasting groups are working with a wider range of economic indicators on a more frequent basis, it would be useful to use their statistics in developing more sophisticated member forecasts," the report to the OPEI members stated. It was stressed for example that although manufacturers responding to the survey predicted housing starts in 1982 to show an increase of 14 percent over 1981's figure, the economic forecasting groups serving the OPEI expect housing starts to increase 22 percent in 1982.

Imports and exports

Data from the manufacturers show that imports of major lines of lawn and garden equipment declined in 1980 from the 1979 peak. The forecasts by the manufacturers showed they anticipate little change in 1981 and 1982. The imports of lawn mowers and parts were expressed in dollars rather than in units in the report. The volume increased from $4.6 million in 1978 to $8.7 million in 1979 and declined in 1980 to $6.7 million. The manufacturers projected that imports for this product category would be $6.5 million for the 1981 model year and would reach $7.1 million for the 1982 model year.

Crucial issues

The report by Malizia and Caudle to the OPEI membership stated that almost half of the respondents believe the most crucial issue facing the industry to be government intervention and regulations, especially from the CPSC. Twenty percent saw the weakened economy and the continuation of double-digit inflation as a continuing problem. Other crucial issues listed were: the high cost of financing for the manufacturer and for the consumers, the "soft market" for single-family houses, and the trend to high-density housing. □

SEPTEMBER 1981

Lawn&Garden Marketing

MANAGING THE SELL-IN SEASON

Sharpening buying skills

Calculating landed costs

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Lawn&Garden Marketing

The merchandising magazine for lawn, garden and leisure living products.

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Coming up: The annual Lawn & Garden Marketing Source Book, a useful directory of products and of lawn and garden wholesale distributors; a compendium of industry-related associations and organizations, and addresses of manufacturers, growers and suppliers.

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Some families own two sizes or types of barbecuing equipment; some, only one-half. It's a rare household that never barbecues.

New data, trends on patio products

By Marjorie Riggin

Americans have brought home the hotel-motel poolside concept and are buying to make backyard vacations as alluring, year-round, as those fantasies, faraway.

■Several patterns took shape as retailers of patio and poolside furniture and allied lines were interviewed across the country by **Lawn and Garden Marketing.** Certain preferences remain regional, but regional trends overlap. Those items coming up strong are non-regional in demand. Quality was the key word from every retailer, every direction. America is staying home in style. Three styles, in fact.

Credit the upsurge in building decks on existing houses, the back-to-nostalgia veranda movement and clipped-wing travelers who brought home hotel-motel poolside concepts. Altogether these factors have contributed to a casual living market that advances steadily in an otherwise shaky economy.

Swing to Nostalgia

Knowing your market is perhaps more important than ever before. Regional preferences may blur, but there is sharp demarcation between those who shop determinedly for updated traditional styles vs. those, usually younger, families who yearn for great-grandmother's front

Figures from the Barbecue Industry Association confirm the continuing upward trend in sales of charcoal and gas outdoor cookery equipment. Electric grill sales, only, declined but significant growth is expected in the demand for electric water smokers.

	1979		1980	
	Units	Dollars	Units	Dollars
Charcoal	9,686,981	$ 99,781,874	10,273,192	$116,454,471
Gas	1,366,328	135,057,888	1,592,774	163,785,783
Electric Grills	117,728	4,375,308	109,405	4,897,727
Electric Smokers	272,164	no $ figure given	324,041	no $ figure given

In 1981 sales of 12,700,000 barbecue type units are anticipated — a 5.7% increase

porch, complete with swing. These latter are the families who buy handmade, rough cedar furniture; cast-iron-with-oak park bench and table sets; heavy pieces of solid redwood; wicker, if the mood is pre-WWI. They are not alone in desiring swings, but their preference is for the old fashioned type suspended by chains. No porch? One California retailer reported wood swings selling year-round to hang before fireplaces from open beam ceilings. "Nostalgia" is number three of the casual lifestyles. It is moving up.

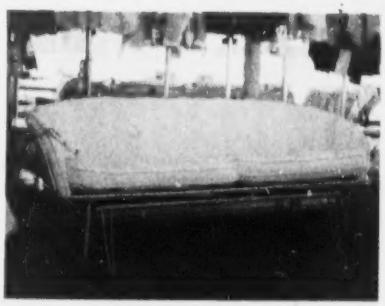
In an exception when tradition and nostalgia merge, and again in California, suspended swings in leafy, welded wrought iron, cushioned for comfort, are selling well in the $350 range.

Add-a-piece tradition

Tradition and wrought iron stay synonomous although the "iron" may be aluminum. Traditionalists also are buying genuine wicker and rattan or a weather-wise simulation in fiberglass. These types of casual furniture find their way indoors so this market isn't necessarily seasonal. Even more than others, traditional buyers demand a sustained, open stock of styles. Retailers reporting a twelve month patio display confirm significant income from add-a-piece purchasing of quality items. They also feel that the spectrum of items available is adequate; they like the new neutral colors that are compatible with customers' existing furniture of white, black and antiqued green.

Backyard vacationland, U.S.A.

Third of the three styles, contemporary, may be purchased only for poolside or may be used wherever a household relaxes from formal living. Strap-type furniture of coated metal and plastic is advancing at an approximate 35 percent rate, according to one dealer. Buyers like the comfortable adjustment to body contours, fade-resistant colors and, with reasonable care, near-indestructability. Another type of contemporary furniture, PVC (polyvinyl chloride), is in strong demand where salt air is a problem, but has not made vast inroads inland. New designs, new protective polymers and new methods of distribution may change the picture.



To have a glider big enough for "stretching out," one customer drove 160 miles roundtrip.

Matching accessories are especially important to this group who view their backyard living as an extension of the lavish hotel service they enjoy when traveling. One Midwest retailer expressed need for a reasonably priced, readily portable poolside bar, with stools, to match current styles and complete the jet set illusion.

Buyers in all three categories recognize their casual furniture as

continued...

an investment. Every retailer interviewed stressed quality as the No. 1 criterion.

Heating up

Hottest merchandise on the 1981-82 cool pool and patio scene appears to be those items that ARE hot. Affordable electric smokers are coming on strong; sales of grills of all types reflect Mom's movement away from the kitchen (see table); hot tubs and spas are showing an unexpected 250 percent increase in one year; and insect control devices that may sizzle, pop or perform quietly are selling like hotcakes wherever there are light-attracted flying bugs.

ICDs are electric or electronic. Some use cool light, others are designed for effective heat deflection. They are popular in a lower price range of $50-$60 retail and in average size, clearing approximately ½ acre. At this price many have been gift-wrapped for Father's Day, birthdays and house-pool-patio warmings. ICDs, according to random survey, are merchandised through lawn, garden and leisure furniture outlets, discount chains and mail order; and demand seems to exceed supply. One rejecting retailer, "...they attract bugs..," admitted that correct installation and consumer-use education probably would make the difference. Economy of operation, about five cents per month, and the ecological advantage of providing uncontaminated insects for pet birds and fish were cited as merchandising pluses by an enthusiastic pool, patio and equipment dealer in Houston.

This season hot tubs and spas appear to be installed in some areas at least as often as backyard swimming pools, and have made a surprising incursion into less-than-exotic locales. Reasons given **LGM:** they are easier to maintain; they extend the pool season where weather is varied; and they appeal to families who wish to be first with whatever is new to the neighborhood.

Smoke signals

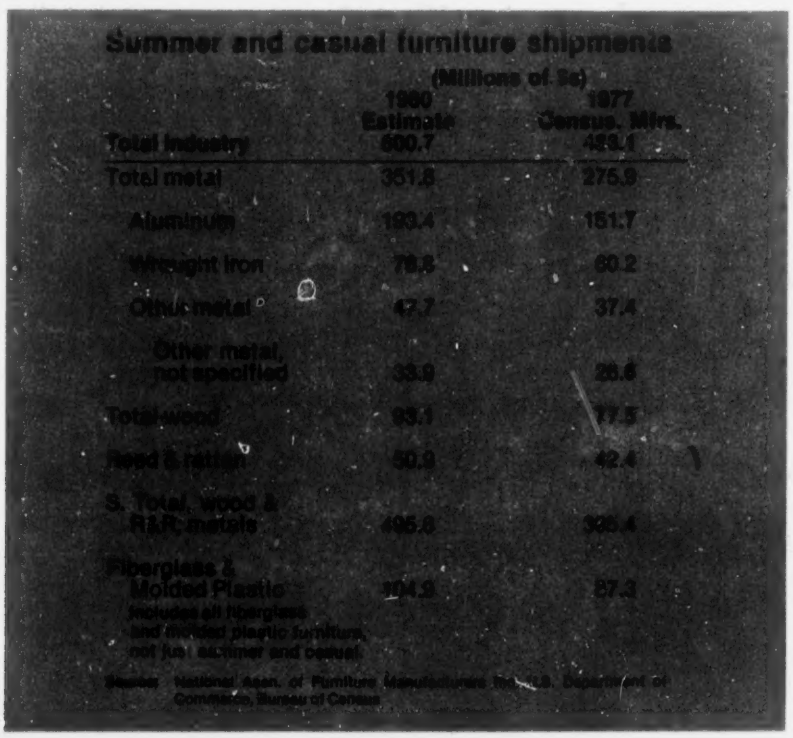
The direction continues up for all types of barbecue equipment with sales expected to near 12,700,000 in 1981. Within the broad category that includes charcoal, gas, LP gas and electric only one recognizable trend appeared but many trends may show their beginnings in comments made to **LGM.**

Electric water smokers are on a definite, upward trend as a type—with the smaller variety selling strong when "the price isn't too high," "as a second barbecuing device for a grill-owning family," and in a size that "doesn't require 220." They fit well into condo balcony and zero lot line living.

Dual dwellings have given rise to dual-ownership of barbecue grills and covered kettles—a new phenomenon reported in Chicago. Conversely, a large and a small grill or a grill and a smoker, both, are considered as necessary as two cars by many families. And even infrequent barbecuers are investing in better quality as opposed to frequent replacement! Finally, backyards are now private vacationlands but the go-everywhere grill or cooker remains in demand. Tail-gate parties, picnics and the beach still beckon.

A market in action

If hot and cool seem contradictory, consider the paradox of *action* furniture, also moving up. Mobile America may be settling down but not sitting still, even when relaxing. Chairs bounce or swivel; rockers, rock; swings-on-chains and swings-on-stands are in demand; and gliders, especially three-person gliders, are in short supply. Asked for "druthers," one retailer fervently requested the old style, sofa-sized glider and reported a sufficiency of the love seat variety. Another advised **LGM** that, "at that very moment," a man was driving eighty miles for that retailer's one remaining large glider after having canvassed by phone every similar merchant in his shopping sphere. Rock, twirl, bounce, swing or glide, action furniture is an established trend. Except for the swivel chair in Massachusetts where, according to one dealer, non-traditional mechanisms may be suspect. Swiveling is O.K. in the office, he said, but in his state casual swiveling hasn't caught on. □


Summer and casual furniture shipments
(Millions of $s)
1980 Estimate
1977 Census, Mfrs.
Total industry 600.7 429.1
Total metal 351.8 275.9
Aluminum 193.4 151.7
Wrought iron 78.8 60.2
Other metal 47.7 37.4
Other metal, not specified 33.9 26.6
Total wood 93.1 77.5
Reed & rattan 50.9 42.4
S. Total, wood & R&R metals 495.8 395.4
Fiberglass & Molded Plastic 104.9 87.3
Includes all fiberglass and molded plastic furniture, not just summer and casual.
Source: National Assn. of Furniture Manufacturers Inc., U.S. Department of Commerce, Bureau of Census